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CSCE RECEIVES HUNGARIAN MILITARY SCHEDULE

LD200529 Budapest MTI in English 2048 GMT 19 Dec 86

[Text] Budapest, December 19 (MTI) -- The Hungarian Ministry of Foreign Affairs has handed over the schedule for 1987 of military activities on the territory of the Hungarian People's Republic bound to prior notification to all the 34 countries involved in the CSCE process. The schedule was forwarded through diplomatic channels until December 15.

The representatives of the countries involved in the CSCE process approved a document on confidence and security-building in Europe at the Stockholm conference on September 19. The Document stipulates as an obligatory military confidence-building measure that the 35 countries concerned should exchange, before the end of each year, the schedule of their military activities envisaged for the following year.

HUNGARIAN DELEGATE ADDRESSES CSCE CONFERENCE

LD192246 Budapest MTI in English 1651 GMT 19 Dec 86

[Text] Vienna, December 19 (MTI) -- Drawing conclusions from the first phase of the Vienna follow-up conference, greater attention should be paid to the fields of the Helsinki process that have been neglected, Ambassador Andre Erdos, head of the Hungarian delegation, said at the closing plenary session on Friday. Andre Erdos took a stand for extending the mandate of the Stockholm conference and starting talks on the reduction of armed forces. Economic, commercial, technical and scientific cooperation should be improved through the removal of all obstacles. Despite the debates and diverging opinions the Helsinki process has obviously yielded fruit, and further talks are required to come to agreements in all fields of the process. Anyone who wishes to promote the cause of security and cooperation in Europe can count on Hungary, Andre Erdos emphasized.

In a statement given to the MTI's correspondent, Andre Erdos stated that the Hungarian delegation had taken an active part in the work of five commissions. It is to be welcomed that the participating countries, in general, has given a positive assessment to the implementation in all fields of the Helsinki recommendations in Hungary. The delegates of countries with diverging political system appreciated the Hungarian practice and experience on several occasions.

Hungary also formulated the proposal for holding an economic forum in Prague as the country has also been harmed by protectionist and discriminative measures and embargoes. Therefore non-discrimination in commercial, industrial, technical and scientific cooperation is our vital interest. The Budapest Cultural Forum was a remarkable success. And many countries share our view that it was correct and necessary to put forward again some proposals of the forum worth implementation. Hungary and Austria submitted a proposal for setting up a European folk art centre called Bela Bartok in Budapest. As to the economic and humanitarian fields, Hungary wishes to put forward its practical proposals in the second phase so that as many as possible issues important for Hungary be included in the final act of the conference.

CSSR DELEGATE ADDRESSES CSCE MEETING

LD192107 Prague CTK in English 1822 GMT 19 Dec 86

[Text] Vienna Dec 19 (CTK correspondent) -- "Our political will is in harmony with the interests of nations", head of the Czechoslovak delegation to the CSCE follow-up meeting Milan Kadnar said here today.

"Our political will...is clearly to improve and activate relations in Europe and in other regions, to promote peace, security, justice and cooperation, to strengthen the process of detente, to strengthen confidence and to promote the implementation of the fundamental human rights as well as economic and social progress", he told the follow-up meeting of the Conference on Security and Cooperation in Europe addressing a session analysing the course of the first seven weeks of the meeting.

The Vienna talks have shown that a number of principles of the Helsinki Final Act are still being violated. This concerns articles banning the use or threat of force, interference in the internal affairs of other states, equality and the right to self-determination, the compliance with treaties and articles on human rights, he said. Nevertheless, most of the countries observe the principles of the Final Act a proof of which is the fifth decade of peace in Europe, he said.

The Czechoslovak representative further expressed concern over the obstacles put by some Western countries in the way of the development of economic, trade, scientific, technical and other relations between states. To put an end to this development, Czechoslovakia has proposed, together with Hungary, Poland and the GDR, the convocation of an economic forum to Prague.

Referring to humanitarian questions, Milan Kadnar pointed to the violation of human rights in the capitalist countries, namely in the United States and Great Britain, but also in other countries. Proceeding from figures published by the USA, he recalled that there are 3 million homelesss, 13 million unemployed and 47 million completely or partly illeterate people in the USA.

Concluding his speech, the Czechoslovak representative expressed the conviction that the Vienna follow-up meeting will decide during its further deliberations that the Stockholm Conference should deal with conventional disarmament in Europe, that it will support proposals for expanding cooperation between European states and contribute, in the sphere of humanitarian questions, to the improvement of the situation not only of individuals but of tens of millions of people without jobs, homes and other fundamental rights.

Today's session of the Vienna CSCE follow-up meeting was addressed by representatives of more than 20 delegations. The meeting, attended by delegations from 35 countries of Europe, the USA and Canada will resume its session on January 27, 1987.

SOLIDARITY'S MILEWSKI GIVES PRESS CONFERENCE AT CSCE

AU171348 Vienna DIE PRESSE in German 17 Dec 86 p 2

["B.B" report: "Solidarity Remains Symbol for Majority of Poles"]

[Excerpt] Vienna -- The fact that Poland is still relatively free compared with other East European countries is to be attributed only to the existence of Solidarity, said Jerzy Milewski, representative of the Solidarity independent trade union movement, which has been banned by the Warsaw communist regime, at a press conference yesterday in Vienna. Because, as a result of Solidarity's peaceful struggle -- even though it has to take place underground -- Jaruzelski has been forced to take certain measures. For the majority of Poles Solidarity is and remains a symbol, and it is in particular the Vienna CSCE follow-up conference that has to work so that this majority regains all its due rights, Milewski said. Milewski was one of the guests at a press conference about the Polish "normalization" organized by the Austrian Helsinki Committee and the International Helsinki Federation. A report drawn up by the Polish Helsinki Committee and dealing with "Human Rights Violations in Poland from 1983-86" was also presented at the press conference. [passage omitted]

GENERAL JACE LULA DIES 23 DECEMBER

AU241344 Tirana ATA in English 1035 GMT 24 Dec 86

["Press Review" -- ATA headline]

[Excerpt] [Passage omitted] The press carries the obituary informing that on December 23 1986, Comrade Jace Lula, vice chief of the General Staff of the People's Army, passed away of a grave disease. The obituary is signed by Comrade Simon Stefani, Prokop Murra, Kico Mustaqi, and other comrades. [passage omitted]

Leaders Attend Funeral

AU251600 Tirana ATA in English 0937 GMT 25 Dec 86

[Text] Tirana, December 25 (ATA) -- The funeral ceremony of Comrade Jace Lula, vice chief of the General Staff of the People's Army, one of the capable and devoted cadres of our army, was organized in Tirana before noon. The coffin was placed at the hall of the Central House of the Army.

At 11.30 the first secretary of the Central Committee of the party and general commander of our Armed Forces, Comrade Ramiz Alia, accompanied by the member of the Political Bureau and secretary of the CC of the party, Comrade Simon Stefani; the member of the Political Bureau of the Central Committee of the party and minister of people's defence, Comrade Prokop Murra; the member of the Political Bureau of the Central Committee of the party and minister of home affairs, Comrade Hekuran Isai, come here. They paid homage and stood guard of honour near the coffin with the body of Comrade Jace Lula. Comrade Ramiz Alia expressed his condolences to his wife, children and the relatives of family of the bereaved.

Likewise, the member of the Political Bureau of the Central Committee of the party and vice chairman of the Council of Ministers, Comrade Besnik Bekteshi; the alternate member of the Political Bureau of the Central Committee of the party and chief of the General Staff, Kico Mustaqi; the alternate member of the Political Bureau of the Central Committee of the party and first secretary of Tirana District Party Committee, Comrade Pirro Kondi; the alternate member of the Political Bureau of the CC of the party and chairman of the Executive Committee of the District People's Council, Comrade Llambi Gegprifti, and other comrades paid homage.

To honour the memory of Comrade Jace Lula, militarymen, working people of work and production centers, different institutions, representatives of mass organizations, young boys and girls and members and relatives of his family paid homage and stood guards of honour.

In the graveyard Comrade Kico Mustaqi made the speech on the occasion. He stressed among the other things that the work and life of Comrade Jace Lula has been an example of the man who has worked to consistently apply the line of the party and the tasks it has constantly laid down. He worked everywhere and always there where the interests of the defence of the homeland needed. In the ranks of the Army, Comrade Jace Lula has carried out important tasks in military units where he has claimed distinction for devotion to the cause of the party, tireless work, the love for the Army, making a valuable contribution to enhance ever more the combat readiness.

NATIONAL ASSEMBLY SESSION OPENS 24 DECEMBER

AU241318 [Editorial Report] Sofia Domestic Service in Bulgarian at 1300 GMT on 24 December carries a 2-minute live relay from Sofia's National Assembly Hall of the opening ceremony of the third session of the Ninth National Assembly.

At precisely 1300 GMT, reporter Boyan Bonev announces that Stanko Todorov, chairman of the National Assembly, opens the session. Stanko Todorov proposes the agenda of the session, listing:
"1. Draft Law on Adopting a Decree on Changing the Law on Scientific Degrees and Titles;
"2. Draft Law on the Uniform State Plan for Scientific-Technical and Socioeconomic Development of the People's Republic of Bulgaria During the Ninth 5-Year Plan;
"3. Draft Law on the State Budget of the People's Republic of Bulgaria for 1987;
"4. A Proposal on Structural and Personnel Changes in the Council of Ministers;
"5. Draft Plan on the Work of the National Assembly for 1987."

Stanko Todorov immediately adds: "In addition, I have just received an interpellation from National Assembly Member Boris Vasiliev Iliev from Pazardzhik District, who addresses his interpellation to the chairman of the Economic Council and the minister of trade. His question is related to the production and distribution of working clothes and personal safety devices. Since I have just received the interpellation, and the chairman of the Economic Council returned from Italy just 1 hour ago, I propose to postpone the interpellation to the next session, so that the chairman of the Economic Council and the minister of trade will have time to prepare themselves on this matter, and maybe by then they will adopt the necessary measures, so that they will have something to say." Laughter is clearly heard in the hall. Stanko Todorov himself is laughing. The National Assembly members unanimously adopt the agenda.

Reporter Boyan Bonev reports that the following officials are attending the session: "Todor Zhivkov, general secretary of the BCP Central Committee and State Council chairman; Petur Tanchev, secretary of the Bulgarian Agrarian National Union and first deputy chairman of the State Council; Georgi Atanasov, chairman of the Council of Ministers; and other party and state leaders."

Iliev Presents Plan

AU241947 Sofia BTA in English 1821 GMT 24 Dec 86

[Text] Sofia, December 24 (BTA) -- During the Ninth 5-Year Period, Bulgaria's national income is planned to increase 30 per cent, and the social productivity of labour is to rise by 35 per cent.

Speaking at the third session of the Ninth National Assembly, which opened here today, Mr Ivan Iliev, Bulgaria's deputy premier and chairman of the State Planning Commission, said that all social spheres will be undergoing qualitatively new growth in the five-year period. Such conditions ought to be created in Bulgaria's development during these years that would entitle her to a place among the most advanced nations by the end of the century.

"This is a historic necessity both in terms of the advancement of socialism in the country and of Bulgaria's contribution to the advancement of the world socialist community," he emphasized.

Reporting on the bill of the country's techno-scientific and socio-economic development plan for the ninth five-year period, Mr. Ivan Iliev drew attention to the external conditions in which Bulgaria will be developing. He recalled the principled and constructive position of the Soviet Union on the key issues of our time and above all the Soviet proposals put forward at the Reykjavik summit and supported by all peaceloving forces in the planet.

There is reason to expect a deterioration of the capitalist market conditions, an ongoing policy of discrimination and embargoes in the transfer of technologies, Mr Ivan Iliev said. The speaker pointed out that according to estimates, the country will meet the national plan targets for 1986, the first year of the Ninth 5-Year Period. The national income is expected to rise 5.5 per cent from a year ago (with a plan target of 4 per cent). The social productivity of labour will register a growth of 5.9 per cent, against a rate of 4.5 per cent as set in the plan. The respective growth figures are 9.2 per cent for mechanical engineering, 4.3 per cent for industrial production, and 7 per cent for agriculture.

The five-year plan will be fulfilled if a resolute turn is taken towards thinking in technological and business terms, if a radical shift is achieved in the attitude towards nationalisers, production innovators and inventors and towards their suggestions, if the approach to capital investments and to their concentration on decisive projects is changed dramatically, if liberalism and indiscipline are stemmed uncompromisingly, and if departmental, sectoral and local barriers are eliminated, Mr. Ivan Iliev observed.

It is the first time that a five-year plan has been worked out on the basis of the technological links balances. These balances outline the priorities and the opportunities for the introduction of high technologies in the respective production complexes. On this basis, the narrow sectoral approach will be abandoned and the departmental barriers removed.

The draft plan comprises more than 200 technological systems with over 850 basic and related technologies channelled mainly in the determinant areas: electronics, biotechnologies, chemistry, optronics, etc.

Mr. Ivan Iliev said that electronics is to play a decisive role in the economic restructuring. Electronics output should increase nearly 2.4-fold in 1990 from 1985, and microelectronics alone is planned to triple its production.

In connection with the development of the mineral, raw materials and energy complex, it was noted that since it is almost impossible to increase the amount of primary resources, they should be utilized more efficiently. The accent will be on the introduction of waste-free and low-waste technologies, and priority will be assigned to the production of high-grade steel and rolled steel, of ferrous metal products for electronics, of pure and superpure chemicals, of lightweight chemistry. The pharmaceutical industry will more than double its output. The generation of electric power by the end of the decade will reach 50,000 to 52,000 million KWH, mainly through the speedier development of nuclear power.

In agriculture, grain production is estimated to average 10 million tons a year. Considerable increase is planned for the production of vetch crops, and agricultural and food industry waste will be utilized more comprehensively to meet the requirements of fodder.

Between 53,000 million and 56,000 million leva will be invested (as against 40,000 million in the Eighth 5-Year Period). Capital investments in the updating of the available fixed production assets in operation will grow at faster-than-set rates. Other small and medium-sized enterprises will be established.

Foreign trade is to go some 37 percent up from the Eighth 5-Year Period, and trade with the socialist countries alone will grow by more than 40 percent. The Soviet Union is the major trading partner: it accounts for more than 60 percent of Bulgaria's total commercial exchanges.

Over the next five years, the real income per capital of the population will rise by 18 percent, which would gurantee the further raising of living standards. Wages will be the principal source of income, but they will be paid not for work in general but for specific results, for fulfilled tasks. The average monthly wage will reach a level between 250 and 255 leva, and the minimum wage will increase from 120 to 140 leva.

The public consumption funds will be growing at the same pace as the national income, and by the end of the decade they are expected to total 1,154 leva per capita of the population. The minimum monthly pension will rise from 60 to 70 leva.

Some 400,000 dwellings will be completed during the five-year period, and 120,000 of them will be built on a cooperative basis. One-room flats will no longer be constructed.

Considerable increase is envisaged in allocations on science and research services: 4 percent of the national income. The outlays on research facilities construction will more than triple.

In order to meet the changed requirements, the enrollment of students in engineering and technical subjects will be expanded.

Investments in the non-material sphere total 2,345 million leva.

The allocations on health-care, recreation, sports and tourism aggregate 1,043 million leva. Funds are provided for the realization of the regional programmes in effect: on the development of north-western Bulgaria, of the Strandzha-Sakar Region, etc.

The deputy premier and chairman of the State Planning Commission indicated that a fundamentally new economic mechanism has been worked out for meeting the targets of a qualitatively new growth. This mechanism is a large step towards coupling the planned development of the national economy with commodity-money relations. The mechanism enables the self-governing organizations to choose by themselves the concrete ways of realizing the strategy. An extensive system of economic levers creates conditions for harmonizing the individual, collective and public interests. The new mechanism will be introduced stage by stage, and as of the beginning of 1988 it will function in its entirety.

Some of the novelties in the mechanism: turning the workteam and individual piece-rate system into a principal form of work organization and pay, abandoning the practice of granting automatically subsidies to losing enterprises, and placing the relations between banks and self-governing organizations on fully economic lines and their contractural regulation. Relations between all parties to the investment process will shift to an economic and contractually regulated basis. Incomes and pay will depend on end results: in construction, for instance, wages will depend on the putting of projects in operation and not on the volume of construction and assembly work.

Belchev Presents Budget

AU242049 Sofia BTA in English 1853 GMT 24 Dec 86

[Report on speech by Belcho Belchev, minister of finance, on the 1987 draft budget at the 24 December National Assembly session in Sofia]

[Text] Sofia, December 24 (BTA) -- The draft of Bulgaria's national budget for 1987, which is on the agenda of the National Assembly session underway here, envisages receipts of 20,673 million leva and expenses of 20,663 million leva.

Mr Belcho Belchev, minister of finance, pointed out in his speech that the budget has been drafted in different conditions from before. The transition to the principles of self-management by the enterprises and the research and development organizations opens up great opportunities for the speedy and large-scale introduction of the forefront scientific and technological advances.

The dynamic and stable economic growth, envisaged in the draft plan for the Ninth Five-Year Plan, ensures the attainment of the national objectives and the safeguarding of the national interests, on the one hand, and the further strengthening and expansion of the self-governing economic organizations' own financial backing. In 1987 the self-governing economic organizations will have more than 15,000 million leva from their income and depreciation deductions for their self-finance, Mr Belcho Belchev said.

The minister of finance stressed that thanks to the efficient economic growth in keeping with the decisions of the 13th BCP Congress, nearly 92 percent of the budget receipts in 1987 will come from the self-governing economic and other organizations. The bulk of this revenue is expected to be received from profits taxes and turnover taxes, which account for 50 percent of the receipts from the national economy.

Special attention in the securing of additional profits should be paid to the requirement of a speedy and resource-efficient economic growth. Hence, it is imperative to make provisions for a sparing and most efficient use of energy and raw materials, as well as for the operation of facilities at the fullest possible capacity.

The 1985 data show that in comparison with 1980, material consumption per unit of industrial output has dropped by 2.5 percentage points. This positive tendency has been retained in the first eleven months of this year, too. Mr Belcho Belchev noted that certain economic associations and combined works have allowed an unwarranted increase of material consumption. This is mainly due to the facilities' underloading, to the failure to operate the equipment on multiple shifts, to the excessive overstocking of commodities and materials, and to the unwarranted outage and the low quality of output.

The draft plan envisages a dramatic drop of material consumption in 1987, as compared to 1986.

Turnover taxes will secure some 26 percent of the budget revenue in 1987. The receipts from social security and from the Council for Reciprocal Security of the Members of Producers' Cooperatives amount to 3,935 million leva. The share of receipts from taxes and rates levied on the population is maintained on the same level as in 1986: 8 percent of the revenue.

Finance Minister Belcho Belchev said that budgetary funds will be channelled mainly into the work of the self-governing economic organizations and into the public consumption funds.

Stressing the special importance which the BCP has always attached to the building, improvement and utilization of material and technical basis, he pointed out that 10,343 million leva will be invested in its development in 1987. The bulk of these funds (78 per cent) will go into material production, and the rest, 22 per cent, will be spent on the non-material sphere.

The science and research services allocations amount to 293 million leva. The public consumption funds will take up 7,318 million leva, education 1,682 million leva, health care, sports and tourism 1,176 million leva.

The national budget draft provides for the necessary outlays on the country's defense and security.

The budget has been drafted in keeping with the new principles of social management, the minister of finance said, and he announced that as of the beginning of 1987, investments in material production will no longer be financed without compensation from the budget. The state will be aiding the self-governing economic organizations depending on the results of their technological and market breakthroughs. This will be also the basis of the wages fund formation. This will be also the basis for the wages fund formation. Substantial changes will be made next year to prepare the transition to a fundamentally new framework of owner-manager relations. New forms of taxes will be worked out for the realization of expanded reproduction on the basis of techno-scientific progress and, and the same time, all organizations which fail to attain the envisaged growth parameters will be penalized.

Plan, Budget Approved

AU242023 Sofia BTA in English 1908 GMT 24 Dec 86

[Text] Sofia, December 24 (BTA) -- The Bulgarian parliament's standing committees approve the bills on the Country's Development in the Ninth Five-Year Period (1986-1990) and on the 1987 National Budget, which were introduced for consideration today.

Mr Grisha Filipov, M.P., Politburo member and secretary of the CC of the BCP, took the floor at the third session of the Ninth National Assembly, which opened here today. On behalf of the Standing Committees, he pointed out in a co-report that, as a whole, the documents moved are consistent with the economic and social policy of the BCP. The endorsement of these bills will make it possible to develop a heavily researched economy, the structure and the efficiency of which will draw near to the structure and efficiency achieved by the advanced countries in the world.

Mr Grisha Filipov stressed the need for the extensive use of economic levers and regulators in the national economy management, in view of the economic conditions in the country. It is imperative to provide opportunities for a generally profitable competition among the commodity producers, for raising the business responsibilities of all parties to the economic relations. In this connection, it was indicated that special attention should be given to personnel training in the spirit of the restructuring philosophy. "We must evolve such a social organization of labour which will stand everything to gain from the enterprising," the speaker said.

Mr Georgi Karamanev, M.P., deputy premier and chairman of the government's Social Council, emphasized that the bills introduced set fundamentally different requirements to the application of the system of balances in planning the country's development. He said that the draft plan for the Ninth Five-Year Period has taken into account the difficulties which the country has experienced in its development over the last few years, the subjective and objective weaknesses, and the influence of the emerging foreign economic contacts.

Mr Georgi Karamanev pointed out that the envisaged socio-economic growth rates are high, but they should be regarded as the lowest threshold target.

The M.P.s emphasized in their statements that the high pace of technological renovation and the economic restructuring are not an end in itself. They stem from one principal task: the maximum satisfaction of the steadily growing material and intellectual requirements of the people.

Session Ends; New Council

AU251435 Sofia Domestic Service in Bulgarian 1400 GMT 25 Dec 86

[Text] A short while ago the third session of the Ninth National Assembly ended. The last meeting was chaired by Stanko Todorov, chairman of the National Assembly.

After the additinal debates by the permanent commissions on the draft laws of the plan of the Ninth 5-Year Period and the 1987 budget, debates became necessary because of the proposals and addenda proposed by the National Assembly members during the general debates, Grisha Filipov, chairman of the Commission on Socioeconomic Development, conveyed the opnion of the permanent commissions. The sponsors of the draft laws accepted the opinion of the permanent commissions as well as the proposals and addenda made during the debates.

Afterward, the draft law on the Uniform State Plan on Scientific-Technical and Socioeconomic Development of the Country During the Ninth 5-Year Period was proposed for a second voting. The law was unanimously adopted. At the second voting, the National Assembly members also adopted unanimously the law on the State Budget for 1987.

During the last meeting of the session, a decision was adopted on structural and personnel changes in the Council of Ministers. The decision creates a Council for Agriculture and Forestry at the Council of Ministers. The purpose of the new council is to achieve a uniform state leadership and coordination of the activity of the country's agro-industrial complex.

Aleksi Ivanov was elected chairman of the Council for Agriculture and Forestry and deputy chairman of the Council of Ministers. The decision abolishes the Ministry of Agriculture and Forestry.

According to the last point on the agenda, the members of the National Assembly adopted a plan on the work of the National Assembly during 1987.

Thus, the third sessin of the Ninth National Assembly ended. Stanko Todorov, chairman of the National Assembly, read a concluding speech.

ZHIVKOV, REAGAN EXCHANGE LETTERS ON NARCOTICS

AU261911 Sofia BTA in English 1717 GMT 26 Dec 86

[Text] Sofia, December 26 (BTA) -- Mr Todor Zhivkov, president of the State Council, has received a letter from Mr Ronald Reagan, president of the United States, devoted to the problems of drug abuse in the United States and to the worldwide war on illicit drugs. The letter acknowledged Bulgaria's contribution to the drug smuggling control efforts.

In his reply to the U.S. President, Mr Todor Zhivkov emphasized that along with the drug enforcement cooperation established between the two countries, there are still untapped opportunities to extend the bilateral dialogue to other areas, too, and to promote constructive Bulgarian-U.S. relations in the best interests of the Bulgarian and the American peoples.

ZHIVKOV MEETS WITH AKEL LEADER PAPAIOANNOU

AU261541 Sofia BTA in English 1220 GMT 26 Dec 86

[Text] Sofia, December 26 (BTA) -- Today Mr. Todor Zhivkov, secretary general of the CC of the BCP and president of the State Council, met Mr. Ezekias Papaioannou, secretary general of the Progressive Party of the Working People (AKEL) of Cyprus.

The talks, which passed in a cordial and friendly atmosphere, exchanged information on the work of the BCP and AKEL as well as on topical issues of the situation in the world and of the international communist and workers' movement.

Mr. Todor Zhivkov acquainted his guest with the work of the Bulgarian Communists and working people in implementation of the resolutions of the 13th BCP Congress.

Mr. Ezekias Papaioannou gave a high assessment to Bulgaria's constructive foreign policy, especially to her efforts for turning the Balkans into a zone free of nuclear and chemical weapons. He spoke of the work of the 16th AKEL Congress held in November this year, and of the activities of the Cypriot Communists for rallying all progressive and democratic forces in the country.

The two sides noted that the international situation continues to be tense and alarming as a result of the policy of neoglobalism pursued by the aggressive circles of imperialism. They expressed concern over the attempts of the United States to achieve military superiority and to transfer the arms race into space.

The talks gave a high assessment to the Soviet proposals made at the Reykjavik summit and stressed the necessity for enhancing unity of action and for promoting the constructive dialogue and cooperation between all progressive and democratic forces for eliminating nuclear weapons, for reducing conventional weapons and for lasting peace and security in the world.

The two leaders condemned all attempts to divide Cyprus. They stressed the necessity for a peaceful, lasting and just resolution of the Cyprus problem with the assistance of the UN secretary general and within the framework of an international conference for the withdrawal of all foreign troops and immigrants from the territory of the island and to turn Cyprus into an actually independent, sovereign, inseparable, non-aligned and demilitarized state.

The talks between Mr. Todor Zhivkov and Mr. Ezekias Papaioannou confirmed the complete unanimity of the two parties on the issues discussed, their mutual wish to further promote the fraternal relations between the BCP and AKEL on the basis of Marxism-Leninism and proletarian internationalism and in the name of the common struggle for peace, democracy and socialism.

The meeting was attended by Mr. Dimitur Stanishev, secretary of the CC of the BCP.

POLITBURO APPROVES ZHIVKOV-CEAUSESCU MEETING

AU251916 Sofia BTA in English 1833 GMT 25 Dec 86

[Text] Sofia, December 25 (BTA) -- The Politburo of the CC of the BCP gave a high assessment to the talks and the agreements reached between Mr. Todor Zhivkov and Mr. Nicolae Ceausescu at their meeting on December 18 and expressed its belief that they will contribute to the further promotion of the cooperation between the Bulgarian Communist Party and the Romanian Communist Party, between the People's Republic of Bulgaria and the Socialist Republic of Romania, and between the Bulgarian and the Romanian people on the basis of the principles of Marxism-Leninism and socialist internationalism, for enhancing the unity and cohesion of the countries of the socialist community in the interest of the cause of peace and socialism.

It was noted that, exchanging opinions on some topical issues of the international situation, Mr. Todor Zhivkov and Mr. Nicolae Ceausescu expressed concern over the development of the current international situation and reitereated their support for the principled, constructive and flexible stand of the USSR at the Reykjvik summit as well as for the programme proposed by the Soviet Union for a total and universal elimination of nuclear and other types of mass annihilation weapons by the end of the century.

The Politburo also approved the firm resolution of the two countries to act together with the Warsaw Treaty countries and with the other socialist countries, with all peace-loving, democratic and progressive forces for consolidating peace, cooperation and security in Europe and the world.

The Politburo of the CC of the BCP welcomed the readiness of Bulgaria and Romania confirmed by Mr. Todor Zhivkov and Mr. Nicolae Ceausescu to work still more actively for turning the Balkans into a zone free of nuclear weapons and for the realization of the joint Bulgaro-Romanian initiative to make the Balkans a region free of chemical weapons, for promoting the relations of goodneighbourliness and cooperation among the Balkan states as well as their mulitlateral cooperation in areas and on issues of mutual interest.

DOYNOV OFFICIAL VISIT TO ITALY EVALUATED

AU241350 Sofia BTA in English 1326 GMT 24 Dec 86

["Possibilities for Promoting Bulgaro-Italian Cooperation" -- BTA headline]

[Text] Rome, December 24 (BTA corr.) -- The working visit of Mr. Ognyan Doynov, deputy chairman of the Council of Ministers and chairman of the Economic Council ended. He was guest of the Italian Government.

During his stay Mr. Ognyan Doynov had talks with Foreign Minister Giulio Andreotti and with the minister of foreign trade Salvatore Formica. He also met the leaders of some of the largest Italian industrial groupings like "Fiat", "Pirelli", "Montedison" and others. In a constructive atmosphere there were discussed the ways to promoting Bulgaro-Italian cooperation in different areas.

The two sides approved a joint announcement on the visit for the press. It stresses that the problems which restricted the development of the political and economic contacts between Bulgaria and Italy have been overcome. Agreements have already been signed for promoting contacts it the chemical, pharmaceutical, the light and the food industries, in metallurgy and in mechanical engineering.

The document also points out that the Italian side will deliver the necessary equipment to Bulgaria for the setting up of an up-to-date centre for heart surgery. The updating of small and medium-sized enterprises in Bulgaria will also be an aspect of the mutually advantageous bilateral cooperation. The possibilities for increasing Bulgaria's export to Italy will be concerned.

PZPR CC SECRETARY WASILEWSKI VISIT REPORTED

AU230959 Sofia RABOTNICHESKO DELO in Bulgarian 20 Dec 86 p 6

[Text] At the invitation of the BCP Central Committee from 16 to 19 December Andrzej Wasilewski, secretary of the PZPR Central Committee, paid a working visit to Bulgaria. He had talks with Comrades Yordan Yotov, Georgi Yordanov, and Stoyan Mikhaylov. Meetings with representatives of Sofia's artistic-creative intelligentsia took place, and creative unions and cultural-historical places were visited.

During the meetings, the Polish guest was briefed on topical issues related to developing culture in our country and on the tasks implemented by the BCP in putting into effect the decisions of the 13th BCP Congress. A positive evaluation of cultural relations between the BCP and the PZPR was made and the possibilities of their further development in the spirit of the decisions of the 13th BCP and the 10th PZPR Congresses were discussed.

Wieslaw Bek, Polish ambassador to Bulgaria, took part in the meetings.

COOPERATION PROTOCOL WITH DPRK SIGNED

AU191952 Sofia BTA in English 1845 GMT 19 Dec 86

[Text] Sofia, December 19 (BTA) -- Today Bulgaria and the D.P.R.K. signed a programme for techno-scientific cooperation up to 1990. It contains targets for the design of advanced, highly efficient technologies, for the development and introduction of new materials and feedstock. Special attention is devoted to production mechanisation, electronization and automation, as well as to raising the technological level and quality of output.

The document was signed by Mr Stoyan Markov, alternate member of the Politburo of the CC of the BCP, first deputy premier and chairman of the State Committee for Research and Technology, and by Mr Yi Cha-pang, alternate member of the CC of the Workers' Party of Korea and chairman of the D.P.R.K. State Scientific and Technological Commission.

Today Mr Georgi Atanasov, politburo member of the CC of the BCP and chairman of the Council of Ministers, received Mr Yi Cha-pang. They discussed the opportunities for an enhancement of bilateral cooperation and for the promotion of techno-scientific ties.

CONSULTATIONS HELD WITH USSR PRESS DEPARTMENT

AU252053 Sofia Domestic Service in Bulgarian 2030 GMT 25 Dec 86

[Text] From 22 to 25 December in Sofia consultations took place between the Press Department of the Bulgarian Ministry of Foreign Affairs and the Information Administration of the USSR ministry of Foreign Affairs. The Bulgarian delegation was led by Maksim Karadzhov, head of a department, and the Soviet by Boris (Perishev), first deputy head of a section.

Special attention was paid to the newest peace initiatives of the USSR, Bulgaria, and the other socialist countries for strengthening international security, for disarmament, and for decreasing international tension.

LEADERS' PUBLIC APPEARANCES 21-27 DECEMBER

AU272047 [Editorial Report] Sofia Domestic Service in Bulgarian in its newscasts monitored from 21 through 27 December reports the following public appearances of Bulgarian leaders (time and date of each broadcast given in parentheses):

Georgi Yordanov, candidate member of the BCP Central Committee and chairman of the Intellectual Development Council and the Committee for Culture, attended a festive meeting at Sofia's National Opera to mark the 50th birthday of the renowned opera singer Nikolay Gyuzelev, who received the Georgi Dimitrov Order. (2000 GMT 23 December) Yordanov also attended a performance of "Boris Godunov" in Sofia's Lyudmila Zhivkova People's Palace of Sofia on the evening of 27 December to mark the opening of the Sofia music festival. (2000 GMT 27 December)

Stoyan Mikhaylov, secretary of the BCP Central Committee, also attended the Gyuzelev birthday celebration in Sofia. (2000 GMT 23 December) Mikhaylov also attended a festive meeting of the Bulgarian National Agrarian Union (BNAU) leadership, held in Sofia to commemorate the centenary of one of its founders Rayko Daskalov. (1830 GMT 26 December) Mikhaylov also attended the above performance of "Boris Godunov" in Sofia on 27 December. (2000 GMT 27 December)

Yordan Yotov, member of the Politburo and secretary of the BCP Central Committee, also attended the Gyuzelev birthday celebration meeting in Sofia. (2000 GMT 23 December) Yotov also attended the Sofia BNAU meeting in honor of Daskalov. (1830 GMT 26 December) Yotov also attended the above performance of "Boris Godunov" in Sofia on 27 December. (2000 GMT 27 December)

Stanko Todorov, member of the BCP Central Committee Politburo and chairman of the National Assembly, attended the BNAU meeting in Sofia in honor of Daskalov. (1830 GMT 26 December)

Chudomir Aleksandrov, member of the Politburo and secretary of the BCP Central Committee, also attended the BNAU Daskalov commemorative meeting in Sofia. (1830 GMT 26 December)

Dimitur Stoyanov, candidate member of the BCP Central Committee Politburo and minister of internal affairs, attended the annual meeting of the Spartak Levski Sports Association in Sofia. (1000 GMT 27 December) Stoyanov also was present at the above performance of the opera "Boris Godunov" in Sofia on 27 December. (2000 GMT 27 December)

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NEW CULTURAL-SCIENCE ASSOCIATON -- The Hemus Association was founded today; it will engage in foreign trade activity in the field of culture and science. Ivan (?Lukiev) was elected as the association's general director. Georgi Yordanov attended the inaugural meeting of the association. [Text] [Sofia Domestic Service in Bulgarian 1600 GMT 26 Dec 86 AU]

CHNOUPEK ON HIS VISIT TO CHINA, MONGOLIA

AU241030 Bratislava PRAVDA in Slovak 22 Dec 86 p 4

[CTK correspondent: "Minister Chnoupek on Visit to China and Mongolia; For the Common Benefit"]

[Text] Moscow (CTK correspondent) -- At the close ot his official visit to the PRC and Mongolia, Bohsulav Chnoupek, CSSR minister of foreign affairs, gave an interview to CTK and RUDE PRAVO and PRAVDA special correspondents.

Our talks in Beijing affirmed distinct shifts in political dialogue, Minister Chnoupek said. Hu Yaobang, general secretary of the Central Committee of the Chinese Communist Party [CCP], accepted the invitation to pay a visit to the CSSR, contained in the message of Gustav Husak, general secretary of the CPCZ Central Committee and CSSR president, which I had the honor of delivering to him in Beijing. On that occasion, Hu Yaobang invited our highest representative to visit China. Next year will see mutual visits by premiers Lubomir Strougal and Zhao Ziyang, and the visit by Wu Xueqian, Chinese minister of foreign affairs to the CSSR.

Agreement was reached on the need to further intensify contacts between parliaments, among organizations of the National Front, trade unions, and youth in science, education, culture, health care, tourism, and other spheres. We discussed cooperation between our ministries, he noted further.

Regarding the exchange of views on the key issues of international relations, it is necessary to stress that we are able to proceed from many identical or close positions of the two countries' governments. The Chinese declaration, that the PRC will not be the first to use nuclear weapons, is known. The PRC favors nuclear as well as conventional disarmament, and is against the militarization of space. In the spirit of the policy of coexistence it favors a political solution to all contentious problems, including the situation in all hotbeds of tension.

Even though there still exist between our countries differing views on some kinds of issues, the most important thing that links us is the will to strengthen mutual friendly relations for the benefit of socialism, peace, and progress.

Our talks in Ulaanbaatar fully reflected the fraternal socialist countries' efforts for higher quality cooperation in order to comprehensively involve the entire potential of socialism, Bohsulav Chnoupek stressed. The talks reflected the effort to consistently implement the principles of socialist internationalism, equality and mutual responsibility, advantageousness and assistance in the economic sphere, the initiative of every socialist country and the coordinated line in international affairs, comprehensive exchange of experience from the construction of socialism and their common generalization.

We exchanged views on how to further deepen relations along the state line, among representative agencies, and trade unions, youth, women's, and other social organizations, Minister Chnoupek said further. We also assessed topical issues of economic relations in broader contexts with respect to the fulfillment of the two countries' Program for Long-Term Economic and Scientific-Technical Cooperation Up to the Year 2000.

Communique on Chnoupek Visit

AU241920 Bratislava PRAVDA in Slovak 22 Dec 86 p 4

[CTK report: "Communique on B. Chnoupek's Visit to the Mongolian People's Republic"]

[Text] Ulaanbaatar (CTK) -- The following communique was issued at the end of B. Chnoupek's visit to Mongolia:

Bohuslav Chnoupek, CSSR minister of foreign affairs, paid an official friendly visit to the Mongolian People's Republic [MPR] on 18-20 December at the invitation of the MRP Government.

He was received by Comrade Jambyn Batmonh, general secretary of the Mongolian People's Revolutionary Party [MPRP] Central Committee and chairman of the Presidium of the People's Great Hural. In a cordial and comradely talk, the Mongolian representative informed him about the developing initiative and endeavor of the working people of the MRP aimed at fulfilling the resolution of the 19th MPRP Congress. Comrade B. Chnoupek acquainted him in detail with the line of the 17th CPCZ Congress.

Comrade B. Chnoupek also met with Choynoryn Suren, deputy chairman of the MRP Council of Ministers and chairman of the Mongolian part of the Czechoslovak-Mongolian Intergovernmental Commission For Economic and Scientific-Technical Cooperation.

During his stay in the MPR, the Czechoslovak minister laid a wreath at the tombs of the founders of the MPRP and the Mongolian people's state, Damdiny Sukhe Bator and Horlogiyn Choybalsan. In Ulaanbaatar, B. Chnoupek inspected one of the plants of the leather-processing and footwear industry which bears Klement Gottwald's name, and visited some cultural institutions.

B. Chnoupek, CSSR minister of foreign affairs, and Mangalyn Dugersuren, MPR minister of foreign affairs, conducted talks which were held in an atmosphere of sincere cordiality, mutual comradely understanding, and an absolute unanimity of views.

The ministers noted, with satisfaction, that the relations of friendship and cooperation between the CSSR and the MPR are developing on the principles of Marxism-Leninism and socialist internationalism, in full accord with the treaty of friendship and cooperation of 1973 and the program of long-term economic and scientific-technical cooperation between the CSSR and the MPR up to the year 2000. The two sides stressed that the close cooperation between the CPCZ and the MPRP is the foundation of Czechoslovak-Mongolian relations. The meeting between Comrade Gustav Husak, general secretary of the CPCZ Central Committee and CSSR president, and Comrade Jambyn Batmonh, general secretary of the MPRP Central Committee and chairman of the Presidium of the great People's Hural, in Prague last August has become a distinct impetus for the further all-round development of fraternal relations. The ministers stressed the exceptional importance of the Moscow meeting of the highest representatives of the CEMA member-states, which has ushered in a new stage of multilateral and fruitful cooperation among these fraternal states while enhancing the effectiveness of the socialist economic integration.

In the course of an exchange of views on topical and international problems, the two sides voiced a profound alarm over the escalation of the arms race, above all the nuclear arms race, and the aggravation of the situation in the hotbeds of tensions in various parts of the world. [paragraph continues]

The policy of the most aggressive imperialist circles, especially of the United States of America, is oriented toward upsetting the existing relative military-strategic balance in the world, toward escalating war preparations through the militarization of space, toward asserting the doctrine of neoglobalism in relations vis-a-vis all revolutionary and progressive forces. The ministers stressed the historic importance of the far-reaching the constructive initiatives and practical steps of the Soviet Union and the other socialist countries, which strive for the elimination of all types of nuclear and other weapons by the year 2000, and for creating a comprehensive system of international peace and security.

The sides valued the fact that -- thanks to the bold Soviet proposals -- the meeting of the highest USSR and U.S. representatives in Reykjavik demonstrated the realistic nature of the hopes for achieving far-reaching agreements in the struggle for nuclear disarmament. They regard as vitally important the continued search for ways to reach agreements between the Soviet Union and the United States on a whole complex of offensive nuclear and space weapons so that it might be possible to initiate concrete measures aimed at nuclear disarmament and averting the militarization of space. The ministers categorically condemned the U.S. steps against the SALT I and SALT II treaties, which slow down the nuclear arms race, particularly in the key sphere of strategic offensive weapons. In this connection, the ministers welcomed the declaration of the USSR government that it will continue observing the limits contained in the two aforementioned agreements. At the same time, they call on the American Government to reassess its stance in that issue and proceed as the Soviet Union does.

The ministers received with understanding the Soviet Government declaration of 18 December 1986 on the decision to end the unilateral moratorium on nuclear explosions following the first American nuclear test explosion in 1987. They expressed the view that the United States must halt nuclear tests and thus contribute to starting talks on a complete and universal ban of nuclear weapons tests.

It was stressed that the most urgent task of the present is to deepen the common effort of the socialist countries and all peaceloving forces on our planet in the struggle for the elimination of nuclear weapons, for creating a world without nuclear treat. In this connection, the two ministers noted the exceptional global importance of the Delhi declaration on the principles of a world without nuclear weapons and violence.

The results of the first stage of the Stockholm Conference on Confidence-Building Measures and Security and Disarmament in Europe, too, were assessed. The two sides shared the view that at the Vienna follow-up meeting it will be necessary to strive to strengthen the spirit of Stockholm by adopting concret measures aimed at the continuation of the Europewide process and launching practical talks leading to fundamental limitations on conventional weapons in Europe. The Mongolian side supported the Czechozlovak proposals to convene an international forum of European countries on economic cooperation.

The proposals for a far-reaching reduction of conventional weapons and armed forces, contained in the Budapest appeal of the Warsaw Pact member-states, addressed to the NATO member-states and all other European states, correspond to the vital interests of all European countries. The MPR fully supported the CSSR and the GDR initiative aimed at establishing zones free of nuclear and chemical weapons in central Europe.

The Mongolian side expressed its full support for the CSSR's active foreign policy activity aimed at strengthening peace and socialism, at reducing the level of military confrontation in Europe and in the world.

The two sides expressed their firm conviction about the necessity to consistently strive with united strength of all intersted states, all nations, and social forces, to strengthen peace and guarantee security in the Asian-Pacific region. It was stressed that a joint search for ways leading to a political settlement of conflict situations and to reducing military confrontation, including nuclear confrontation, in various parts of the Asian continent, are particularly topical today.

The proposals submitted by Comrade M. Gorbachev in Vladivostock aimed at creating a zone of peace, good neighborly relations, mutually advantageous cooperation in Asia and the Pacific, and foundations for a comprehensive system of international security in that part of the world which would also contribute to the achievement of these objectives.

The CSSR minister of foreign affairs welcomed the MPR proposal to set up an international mechanism which would exclude the use of force in relations among the countries of Asia and the Pacific, and its endeavor oriented toward strengthening peace, mutual assistance and cooperation in Asia and the Pacific.

In this connection, B. Chnoupek positively assessed the decision of several communist and workers parties of the Asian and Pacific countries to convene in Ulaanbaatar a consultative meeting on these vitally important issues.

The two sides are in favor of the development of relations with the PRC in the interest of peace and socialism in Asia and throughout the world. The sides assessed as positive the declaration of the PRC government that it will not be the first to use nuclear weapons, and its declaration on halting nuclear tests in the atmosphere, and on the necessity to prevent the militarization of space. A categorical support was voiced for the efforts of the Governments of the SRV, the Lao People's Democratic Republic, and the People's Republic of Kampuchea aimed at establishing peace in Southeast Asia, at establishing relations of goodneighborliness and cooperation with adjoining states.

The MPR and the CSSR affirmed their solidarity with the struggle of the Korean people for a peaceful unification of the two countries on a democratic foundation, supported the constructive proposals of the DPRK Government aimed at the withdrawal of American troops and weapons from the southern part of the Korean Peninsula, and at transforming it into a nuclear-free zone.

The two sides affirmed their solidarity with the people and the Government of the Democratic Republic of Afghanistan [DRA]. The need to halt the undeclared war against the DRA and to speedily resolve the situation through political means on the basis of the proposal of the DRA Government were stressed. The two sides assessed the further escalation of U.S. hostile actions against Nicaragua and expressed their solidarity with the heroic struggle of the Nicaraguan people. It is necessary to strive for a total and immediate halt to the hostile actions abainst that cuntry, and for a political settlement of the situaton in the region on the basis of the proposals of the Nicaraguan Government and the Contadora Group. The ministers declared that the results of the eighth conference of the heads of states and governments of the nonaligned countries in Harare demonstrated the growting positive role of the Nonaligned Movement in the issues of war and peace, in the struggle for the democratization of international political and economic relations.

The ministers favor the further strengthening of the role of the United Nations as an important instrument of general peace and security, and for enhancing the authority of that universal international organization. The two sides positively assessed the results of the 41st session of the UN General Assembly, which favored nuclear disarmament and supported the idea to establish a comprehensive system of international peace and security.

The ministers expressed a profound satisfaction with the results of their talks. They are convinced that the current visit by the CSSR Minister of Foreign Affairs to the MPR will significantly contribute to strengthening the two countries' fraternal friendship and to the further activation of their cooperation in the international arena in the interest of peace and socialism. Comrade Chnoupek conveyed to Comrade Dugersuren the CSSR Government's invitation to pay a visit to the CSSR at a date which will be set later. The invitation was accepted with thanks.

FOJTIK, BERECZ DISCUSS IDEOLOGICAL COOPERATION

AU231144 Prague RUDE PRAVO in Czech 19 Dec 86 p 1

["Z"-signed report: "On CPCZ and MSZMP Experience in Ideological Work"]

[Text] Prague (Z) -- During his working visit to the CSSR, Janos Berecz, secretary of the MSZMP Central Committee, held talks with Jan Fojtik, candidate member of the Presidium and secretary of the CPCZ Central Committee. The talks were devoted to topical issues of ideological work and to further deepening the cooperation between the CPCZ and the MSZMP, especially as regards enhancing the coordination, offensiveness, and effectiveness of the work of the mass media.

Janos Berecz also paid a visit to the Czechoslovak Television Center at Kavci Mountains, inspected its facilities, and met with leading representatives of the Czechoslovak information media.

The deliberations and talks were attended by Zdenek Horeni, member of the Secretariat of the CPCZ Central Committee; Ludovit Pezlar, member of the Presidium and secretary of the CPSL Central Committee; Vasil Bejda and Otto Cmolik, heads of CPCZ Central Committee departments; and by Jan Zelenka, central director of Czechoslovak Television. Bela Kovacs, Hungarian ambassador to the CSSR, was also present.

Berecz Ends Visit

AU231145 Prague Rude PRAVDO in Czech 20 Dec 86 p 1

["Z"-signed report: "Hungarian Guest Has Left"]

[Text] Prague (Z) -- Janos Berecz, secretary of the MSZMP Central Committee, who had paid a brief working visit to the CSSR, left Prague on 19 December.

He was seen of at Ruzyne Airport by Jan Fojtik, candidate member of the presidium and secretary of the CPCZ Central Committee. heads of departments of the CPCZ Central Committee Vasil Bejda and Otto Cmolik, and Bela Kovacs, ambassador of the Hungarian People's Republic to the CSSR were present.

CEMA STORAGE FACILITY CONSTRUCTED AT RUZYNE

LD24029 Prague CTK in English 1546 GMT 23 Dec 86

[Text] Prague Dec 23 (CTK) -- The largest and most modern food storage facility in the Council for Mutual Economic Assistance member states has been built at Ruzyne on the northern outskits of Prague.

With a storage area of 40,320 square metres, the facility uses progressive storage systems and unique equipment. The first stage of the complex was completed in 1978, with second in 1984. The third stage -- a technical services facility, package store and more vehicle workshops -- is now under construction with the first two in full operation. The whole complex will be finished within the 1986-1990 five-year plan period. One half of all foodstuffs for the inhabitants and visitors of Prague passes through the Ruzyne storehouse. It also supplies food to first-class hotels in Bohemia and Moravia and special Eso food shops. 240 producers deliver 6,000 types of food to the storage facility which supplies them to 1,700 customers.

PRAGUE TV REPORTS ALMA-ATA PARTY SESSION

LD232205 Prague Television Service in Czech 2100 GMT 23 Dec 86

[From "24 hours" program]

[Text] A session of the Bureau of the Kazakh Communist party Central Committee was held in Alma-Ata today. It discussed the measures to eliminate serious shortcomings in party organizational and ideological work, in selection and placing of cadres, and the internationalist upbringing of the population, especially young people.

The unhealthy phenomena which took place on 17 and 18 December in Alma-Ata make it necessary to pay special attention to internationalist upbringing, and to carry out a restructuring of the entire party political work with the masses, in working collectives and schools.

The bureau expressed itself resolutely for the strict observance of the Leninist principles of selection and placing of cadres, and against the distortions in cadre policy that have taken place.

It was noted that for a long time criticism and self criticism, democratic norms and provisions of information to public had virtually been absent in the republic's party organization. The bureau directed the party organizations to eliminate fully these shortcomings and errors.

ARAB LEAGUE'S CHEDLI KLIBI INTERVIEWED

AU231111 Prague RUDE PRAVO in Czech 18 Dec pp 1, 7

[Interview with Chedli Klibi, general secretary of the Arab League, by Milan Madr, RUDE PRAVO special correspondent in Tunis: "Arab League in Today's World" -- in Tunis "recently" -- initial paragraph is paper's introduction]

[Excerpts] Chedli Klibi, general secretary of the Arab League, recently gave an interview on the activity of the Arab League to Milan Madr, RUDE PRAVO special correspondent in Tunis. Tunis is the seat of the Arab League. [passage omitted]

[Madr] Do you see any new elements when searching for the solution to the Iraq-Iran conflict?

[Klibi] Yes, there are new elements, but they are negative. Like the rest of the world, we too were surprised when we found out that some states are pouring oil on the fire which blazes in the region of the (Persian) Gulf. [paragraph continues]

We thought that the United States was interested in halting the conflict which endangers countries with which it has close ties of cooperation and which live under the threat of the still existing possibility that the conflict will spread, but we have ascertained that that same country has for quite sometime, directly or indirectly, been delivering weapons to Iran. By doing that, it has supported destabilization in a region which is certainly important to us, and which is strategic importance for the world economy.

Moreover, that operation attests to the United States making use of Israel's good and loyal services.

Thus, you can see that this new element in the Iraq-Iran war is not only negative but also disquieting. We thought that the two largest world super powers -- the United States and the USSR -- had set themselves the objective to work for peace in that region. But now we find out that certain national interests are gaining the upper hand over peaceful intentions and that Israel is capable of manipulating certain functionaries [cinitele] of one of the superpowers -- in this case the United States -- to develop activity for the benefit of Israeli interests. And what are these interests? According to Peres, Shamir, and, naturally, Sharon, anything that can weaken an Arab state -- a state as important as Iraq -- can only support the Israeli hegemony in the region.

Unfortunately, we also ascertain that other states, too, were more or less involved in these deliveries of weapons to Iran. It is all the more regrettable that it shows to what extent it is possible to forget the principles of peace and freedom of nations when dirty material interests are involved.

In these conditions, one must fear that the conflict between Iraq and Iran, which is still a regional conflict, might -- as the consequence of that interference from all sides -- become an international conflict which would directly imperil peace and international security.

[Madr] How do you assess the level of cooperation among Arab states? What, in your view, are the obstacles which prevent convening an Arab summit conference?

[Klibi] We very often observe that the Western countries, socialist countries, and even African countries assess the activity of the Arab League or the inter-Arab collaboration only according to their political aspects. It is true that in the political sphere we are facing problems which are difficult to solve, and over which views differ. That is natural. The more complex problems are, the more the views which pertain to them differ.

One must know that, in addition to political activity, we are organizing many other activities which yield considerable results. Here I would name the economic, social, and cultural spheres....For these various sectors we have almost 20 specialized organizations which are developing activity under the aegis of the Arab League.

[Madr] What causes the difficulties in the political spheres?

[Klibi] We are facing certain difficulties which are the consequence of the fact that the problems which we have to solve are almost unsolvable through Arab efforts alone. The conflict between Iraq and Iran is such a case. Then there is the Palestinian problem, which our states have not been able to solve in almost 40 years. Let us recall that the Arab countries have not accepted the principle of the division of Palestine, adopted by the UN in 1947. However, as time went by, the Palestinian people and the Arab states have accepted what is called the UN legality, and thus also the division, although their opinion is that international law is unjust (in this matter). This thought was voiced for the first time by President Bourguiba in 1965.

But matters have become complicated here. Until now, Israel has been pretending that it accepts international law and let it be up to the Arabs to reject it. Now, when the Arabs are accepting solutions within the framework of international law, it is Israel who rejects the idea of division.

As for us, we stand on the positions of the solution proclaimed by the international community. We have incorporated it in our Fes Plan. [passage omitted]

[Madr] What is the Arab League's position on an international conference being held, one which would devote itself to solving the Middle East problem, and on setting up a preparatory committee for such a conference?

[Klibi] We agree with such a proposal. We accept and support everything that can bring us nearer to the peace process in accordance with international law. Therefore, we noted with satisfaction the proposal of the Soviet Union and other socialist states in this matter, as well as the French-Soviet declaration aimed at the same objective.

But Israel has rejected that proposal because its plan is by one means or another to annex the entire Palestinian territory and never to return the territories which it occupied in 1967. For Peres, as well as for Shamir, this is "Israeli land" and the Arabs are to get nothing back. The contemporary repressions by Israeli troops on Jordan's West Bank have only one objective: Sooner or later to drive the Palestinians out of that territory and Gaza.

[Madr] Where do you see the danger of such a situation and its relationship with the discussed problem of terrorism?

[Klibi] It is necessary to warn against the dangers of such a situation. It nurtures unrest in the occupied territories and elsewhere. It also drives one to a feeling of hopelessness, and this, unfortunately, finds its expression in acts of violence, in what is called "terrorism," and what we, of course, condemn. But how is one to force young, desperate people, deprived of their land, flag, and passports, not to resort to violence?

Moreover, we note that the attitude toward terrorism is changing, depending on the interests of the moment: Iran used to be regarded asa terrorist state, and today weapons are being delivered to it which are to solve the topical problems of some, as well as Israel's problems connected with long-term strategy.

Combating terrorism should not only mean resorting to force to suppress violence. It is also necessary to look for the real reasons which lead to violence. In this lies the unique opportunity to resolve serious problems. It is necessary to go to the roots of evil to be able to eliminate it. [passage omitted]

EEC'S IMPORTANCE AS TRADING PARTNER EXPLAINED

AU090851 Prague RUDE PRAVO in Czech 3 Dec 86 p 6

["(AL)"-signed report in the "Answering Our Readers" column: "EEC-CSSR Trade Agreement"]

[Text] Reader R.M. from Plzen wrote us to ask whether there are any contractual relations between the CSSR and the EEC, and, if so, what possible amendments in these relations are envisaged for the future?

The EEC, a group of 12 European states -- the FRG, Britain, France, Italy, Netherlands, Belgium, Luxembourg, Denmark, Spain, Portugal, Greece, and Ireland -- is an important trading partner for us. The CSSR achieves 60 percent of the turnover in its foreign trade with the industrially developed capitalist states in this largest integrated sphere of the capitalist part of the world.

During the preceding period, the CSSR concluded three trade agreements with the EEC; all three concern individual branches: the agreement on textile exports, the agreement on exports of metallurgical products, and the agreement on exports of mutton. These agreements establish a contractual basis and, as the experts say, the necessary commercial-political scope for Czechoslovak exports to the EEC countries.

During the last few years the CSSR has been discussing with the EEC the possibility of concluding a trade agreement for individual branches, concerning such industrial consumer goods as glass, ceramics, footwear, furniture, and other products, the export of which to EEC countries is relatively large. A few days ago it was announced in Brussels that the EEC Council had approved the EEC commission's mandate to open negotiations on this agreement.

This agreement should further expand the commercial scope for Czechoslovak exports and establish prerequisites for regular consultations of the two sides on all problems cropping up in trade between the CSSR and the EEC. In the opinion of our experts, negotiations on this agreement and its conclusion will represent a positive contribution by both sides to the process of normalizing CSSR-EEC relations.

As we informed our readers on Friday 28 November, Jaroslav Kvacek, CSSR ambassador to Belgium, conducted negotiations with Willy de Clercq, member of the EEC Commission, on Thursday [29 November] in Brussels.

BRIEFS

YOUTH UNION CADRE CHANGES -- At its 18th plenary meeting in Prague on 16 December, the Central Committee of the Socialist Youth Union [SSM] released V. Pravda from the posts of secretary of the SSM Central Committee, and chairman of the SSM Central Committee Ideology Commission in connection with his "transfer to a leading function in the cultural field," and V. Fajman from the post of head of the SSM Central Committee's University Students Department. The SSM Central Committee session further coopted J. Janosovsky as member of the SSM Central Committee and chairman of the SSM Central Committee's Ideology Commission. J. Baryl, secretary of the SSM Central Committee, was elected member of the SSM Central Committee Presidium and S. Jasek was elected head of the SSM Central Committee's University Students Department. Z. Tesarova, secretary of the Czech SSM Central Committee was elected deputy chairman of the SSM Central Committee. [Summary] [Prague MLADA FRONTA in Czech 17 Dec 86 pp 1,2]

JOURNALISM PROTOCOL WITH USSR -- Jan Risko, chairman of the Central Committee of the Czechoslovak Union of Journalists, and Georgiy Bedeneshvili, secretary of the USSR Union of Journalists, signed a protocol on cooperation for 1987 in Prague on 17 December. [Text] [Prague RUDE PRAVO in Czech 18 Dec 86 p 2 AU]

HONECKER SENDS GORBACHEV MESSAGE ON MINE ACCIDENT

LD261919 East Berlin ADN International Service in German 1745 GMT 26 Dec 86

[Text] Berlin, 26 Dec (ADN) -- Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, has sent the following message to Mikhail Gorbachev, general secretary of the CPSU Central Committee, and Andrey Gromyko, chairman of the Presidium of the USSR Supreme Soviet:

Please accept my sincere sympathy on the tragic accident in the "Yasinovskaya-Glubokaya" mine in the Donetsk area.

I ask you to please convey to the families and relatives of the victims as well as the workers and technical personnel of the mine my deeply felt sympathy.

SOLIDARITY AID DISPATCHED TO VARIOUS COUNTRIES

LD221454 East Berlin ADN International Service in German 1305 GMT 22 Dec 86

[Excerpts] Berlin, 22 Dec (ADN) -- Four Deutfracht/Seereederei ships left the GDR in December with solidarity goods on board for ports in Angola, Mozambique, Cambodia and Nicaragua. These relief consignments of the GDR for peoples in Africa, Asia and Latin America are examples of the internationalist work of the citizens from all classes and strata during 1986, Kurt Seibt, president of the Solidarity Committee, said in an ADN interview.

He said that this year solidarity goods worth over M200 million were sent. Thanks for this was due to all the citizens -- the members of the FDGB, the young generation, the members of the armed organs, the members of the Peasants' Mutual Aid Association, the Democratic Women's League, and the Journalists' Union, the artisans and self-employed, artists and cultural workers, all the social and state organizations and institutions, as well as the churches, religious communities and their charities. [passage omitted]

This year's agreements on solidarity aid had been honored to their full extent. The support for the "7th April" Hospital in Phnom Penh, the Hospital of Friendship and the Institute for Rehabilitation and Orthopedics in Hanoi was continued, above all with the supply of medicines and medical equipment. Four interflug charter aircraft transported solidarity goods to Afghanistan. On the return flight, casualties were taken for medical attention and young Afghan citizens for training to the GDR.

A large part of all these services, Kurt Seibt stressed, had been intended for children. In cooperation with the UNICEF National Committee of the GDR, vaccines, medical supplies and clothing were despatched.

FDGB EXECUTIVE ADDRESSES INDIAN TU CONGRESS

AU241120 East Berlin NEUES DEUTSCHLAND in German 19 Dec 86 p 5

[Text] Delhi (ADN) -- The FDGB and the All-Indian Trade Union Congress (AITUC) are united in the struggle for peace, disarmament and social progress. This is what Johanna Toepfer, deputy chairman of the FDGB Federal Executive, stated on 17 December before the more than 3,000 delegates to the 33d AITUC Congress in Baroda. The FDGB highly values the efforts and activities of AITUC to impart an even greater worldwide significance and impact to India's commitment to peace -- regardless whether within the Nonaligned Movement or within the 6 states' initiative.

It is with deep satisfaction that the GDR working people and trade unionists have welcomed the proposals for a world without nuclear weapons and violence, submitted by Prime Minister Rajiv Gandhi and Mikhail Gorbachev, general secretary of the CPSU Central Committee in Delhi, Johanna Toepfer pointed out.

The GDR also emphatically supports the proposals made by India and by other adjacent states to transform the Indian Ocean into a zone of peace, free from military bases. The head of the delegation of the FDGB Federal Executive appreciated the struggle of AITUC for the consolidation of India's independence, unity and integrity. The enterprising activity of AITUC for initiating the action unity of the workers class and of its trade unions in the struggle to defend the gains of the working people also deserves recognition and sympathy.

In a letter of greetings to the 33rd AITUC Congress, Harry Tisch, chairman of the FDGB federal executive, underscored the responsibility of the two trade union federations as active members of the World Trade Union for the preservation of peace, and for social progress and detente. The two organizations are at one in the struggle against the dangers of a nuclear war, against the militarization of outer space planned by the most aggressive quarters of U.S. imperialism, as well as against the imperialist policy of hegemony, it is said in the letter.

SED'S KRENZ RECEIVES MONGOLIAN PARTY DELEGATION

AU241144 East Berlin NEUES DEUTSCHLAND in German 19 Dec 86 p 2

[Excerpts] Berlin (ADN) -- Egon Krenz, member of the Politburo and secretary of the SED Central Committee, on 18 December received a delegation of the Central Committee of the Mongolian People's Revolutionary Party [MPRP] under the leadership of Lubsangombyn Molomjamts, candidate member of the Central Committee and head of the administrative section of the MPRP Central Committee.

During the cordial meeting, Egon Krenz briefed the Mongolian guests about the consistent implementation of the decisions of the 11th SED Congress and the multifaceted initiatives of the working people for the comprehensive strengthening of socialism and for securing peace, which are related to these decisions. [passage omitted]

Participating in the talks was Wolfgang Herger, member of the Central Committee and head of the SED Central Committee department for security affairs, and Ragschaabasaryn Shamts [spelling as published] ambassador of the Mongolian People's Republic, was also present.

During the study visit, the MPRP delegation will acquaint itself with the SED's experiences, particularly in the field of defense and security policy.

WESTERN ENVOYS TO ATTEND NEW YEAR FESTIVITIES

LD241201 Hamburg DPA in German 1038 GMT 24 Dec 86

[Excerpt] Bonn/Berlin; 24 Dec (DPA) -- The ambassadors of the three Western protecting powers resident in the GDR will attend the festive concert in East Berlin on New Year's Day to open the year of the 750th anniversary celebrations of the city of Berlin. The decision was taken today after extensive consultations among the three Western protecting powers, it was learned from informed sources.

The representatives of the United States, Great Britain and France, according to reliable information, reached the decision to allow their ambassadors in East Berlin to attend, "putting aside fundamental reservations." The decision could also have an influence on the attendance of State Secretary Hans-Otto Braeutigam, head of the Federal Republic's permanent representation in East Berlin, who has also been invited.

A decision had been delayed for weeks, because France had spoken out strongly against acceptance of the invitation from GDR Council of State Chairman Erich Honecker to the opening concert in the Schauspielhaus. As DPA also discovered, France objected that acceptance of the invitation would give the GDR regime an unnecessary political boost. Consequently, intensive consultations made further meetings necessary. [passage omitted]

FRG Envoy To Attend

LD291209 Hamburg DPA in German 1135 GMT 24 Dec 86

[Text] Bonn/Berlin, 24 Dec (DPA) -- State Secretary Braeutigam, head of the FRG permanent representation in East Berlin, will also attend the festive concert, informed sources said in Bonn. It was also said that the attendance of the ambassadors of the three Western protecting powers did not represent a negative alteration to the status of Berlin. Federal Foreign Minister Hans-Dietrich Genscher (FDP) also expressed this view when he "interceded in favor of attendance" with the Western partners.

BRIEFS

SWEDEN SIGNS TRADE PROTOCOL -- On 11 December the 13th session of the GDR-Sweden mixed commission on the long-term trade agreement and the 9th session on the agreement on economic, industrial, and technical cooperation concluded in Stockholm. During the deliberations, the two sides noted in concert that their economic relations have positively and dynamically developed since the meeting between Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, and Ingvar Carlsson, the Swedish prime minister. Proceeding from the program for the further development of trade and economic relations between the GDR and Sweden signed on the occasion of the state visit, protocols were agreed upon from 1987 which envisage trade promotion measures and activities for the further deepening and expansion of these relations. [Text] [East Berlin NEUES DEUTSCHLAND in German 12 Dec 86 p 2 AU]

SED DELEGATION IN UK -- An SED Central Committee delegation headed by Roland Bauer, Central Committee member, met for a talk in London with Gordon McLennan, general secretary of the Communist Party of Great Britain. At the cordial and friendly meeting, Roland Bauer reported on the resolutions of the 11th SED Congress and the 3d Central Committee meeting. Gordon McLennan reported on the policy of his party. The partners in the talk agreed in their views on the joint struggle for peace and disarmament and stressed the importance of the Soviet disarmament proposals to avert the danger of a nuclear war. [Text] [East Berlin NEUES DEUTSCHLAND in German 4 Dec 86 p 2 AU]

HETENYI'S REPORT AT DRAFT BUDGET DEBATE

AU241011 Budapest NEPSZABADSAG in Hungarian 20 Dec 86 pp 1, 2

[Unattributed report on Finance Minister Istvan Hetenyi's report in the draft budget debate in the winter session of the National Assembly held on 19 December: "The Finance Minister's Expose" -- capitalized passages published in boldface]

[Text] "The budget submitted to the National Assembly is based on the economic development goals formulated in the decisions of the 13th MSZMP Congress and in the Seventh 5-Year Plan and it contributes to the implementation of these goals" -- said the finance minister in his introduction. "These goals continue to set our economic direction, although the current year is burdened with serious problems in addition to the definite results achieved. The country and its citizens have prospered economically, but this is not supported by an adequate increase in performance that could guarantee a lasting basis for social progress. Therefore, INTENSIVE DEVELOPMENT REQUIRES COMPREHENSIVE AND, IN A CERTAIN RESPECT, RADICAL CHANGES THAT CONTRIBUTE TO THE ACCELERATION OF ECONOMIC PERFORMANCES.

"The strengthening of the necessary unity of action for this purpose requires the support of the National Assembly.

"Next year's budget counts on the experiences of the current year. Unfortunately, the budget's incomes in 1986 will only approach the planned figures and expenditures are expected to exceed planned figures by 3 percent. The planned deficit aimed at accelerating the economy will be considerably exceeded by the real one. The budget deficit for January-November 1986 was 23 billion forints higher than in the same period last year. The main reason for this state of affairs is that the produced income increased by only 5 percent instead of the planned 7.5 percent in current prices, and in unchanged prices it increased by only 1 percent compared to the 2.5 percent planned. Delays in renewal, inadequate management, and the low efficiency of several enterprises' activity are all lasting factors behind this lagging behind. In addition, the damage caused by drought and the fall in prices of food and other export articles have also diminished our income. But WE COULD HAVE AVOIDED SOME OF THIS LAGGING BEHIND IF THERE WERE DYNAMIC DEVELOPMENTS IN INDUSTRIAL INCOMES AND EXPORTS, IF BUDGET MANAGEMENT WERE MORE EXIGENT, AND IF THE DEVELOPMENT OF THE PRODUCTION STRUCTURE WERE MORE CONSISTENT."

Istvan Hetenyi then mentioned the fact that real wages and real income were increasing beyond the planned figures. Concerning the majority of the comprehensive indicators of the standard of living, the goals set for 1987 in the current Seventh 5-Year Plan have already been achieved. This, however, is not due to more efficient economic activity but to the fact that there has been a weakening of the relations between wages outflow and performances. This practice cannot continue.

"In addition to a slow increase in income of the people's economy, state investments will develop as planned and the investments made by enterprises will increase beyond the planned figures, by 8 to 10 percent in current prices. All these together have led to a deterioration in our economic balance, and instead of the planned reduction or stagnation, our stock of debts registered a considerable increase.

"The shortcomings present in the government guidance are also reflected in these processes. We have not always undertaken to differentiate income consumption in accordance with the amount of income produced in various places. [paragraph continues]

Although there have been intentions and useful partial measures to change the unfavorable processes, these intentions were not determined enough and the measures taken were not bold enough, and were even inconsistent in certain cases. In order to achieve successes, we have to carry out these measures more consistently by also accepting temporary casualties.

"The basis for budget planning is the annual people's economic plan for the year 1987. The people's economic plan for 1987 stipulates an increase in the volume of national income of at least 2 percent. This seemingly not too high goal exceeds the average development rate of past years. This task is also demanding because WE HAVE TO ACHIEVE THIS GROWTH ALONG WITH AN IMPROVEMENT IN THE FOREIGN ECONOMIC AND DOMESTIC FINANCIAL BALANCE; WE ARE NOT PLANNING AND CANNOT PLAN AN INCREASE IN DOMESTIC CONSUMPTION.

"On one hand, next year's program maintains and strengthens the positive elements of sound measures and practice; on the other hand, however, it also contributes to the competitiveness and modernization of production through new elements. The new banking system will contribute tc the flow of public capital and the economic regulators will better serve efficient economic development. In accordance with our possibilities, we will expand the economic conditions of efficiently operating enterprises and will limit the activity of inefficient enterprises more. We will encourage those who follow the new trends of technological development and will more consistently ensure distribution in accordance with performance, and we will also see to it that the disproportions are corrected.

In line with the stipulations of the people's economic plan for 1987, the planned income of the state budget for 1987 is 606.9 billion forints, and its expenditure is 650.7 billion forints; there is a deficit of 43.8 billion forints. Incomes will exceed the expected level for the current year by approximately 6 percent, and expenditures will exceed this level by 5.5 percent. The major income of the state budget derives from the socialist enterprises and cooperatives and these sectors are expected to pay 328 billion forints -- to balance their incomes and subsidies -- which is 20 to 21 billion forints more than in the current year. In planning the enterprise incomes, we are counting on an 8-percent increase in national income in current prices. The planned increase in net enterprise incomes is 7 percent. In spite of the difficult situation, WE HAVE ENDEAVORED TO AVOID A GENERAL INCREASE IN TAXES. THIS CAN PROVIDE THE ECONOMIC SPHERE WITH CONDITIONS FOR LAYING THE FOUNDATIONS OF BETTER PERFORMANCES.

"The fact that -- according to the plan -- the volume of consumption remains at the current year's level, while investments in the infrastructure directly connected to producers and production will increase, also serves this aim."

Istvan Hetenyi then spoke about the multifaceted measures aimed at promoting favorable changes in economic activity.

"Beyond the average figures, we expect multifaceted internal changes in the area of a genuine adjustment to the main trends of international development, a favorable modification of the economic structure, the acceleration of technological development and an increase in efficiency, and rational budget management. We will assist all these with a series of new measures, but without a thorough modification of the current system of prices and taxes. We will reduce tax execptions and specific subsidies in cases where these were established for assistance purposes and not in order to fulfill a national and people's economic interest. As a result, we are counting on the decline of several inefficient activities and we will gradually eliminate some inefficient pits in the mining industry; some inefficiently operating iron mills will also be closed. On the other hand, economic guidance provides us with support and encouragement in our endeavor to implement our central efforts. [paragraph continues]

Export and other development subsidies that can be obtained through competition will continue to contribute to the implementation of our outstanding goals like, for example, in the case of housing construction in the capital and certain technologies and automation processes for environmental protection and for the introduction of electronics. The new measures, by which invention costs can, in future, be accounted as expenses, also contributes to technological development. I would also like to stress that, in spite of the difficult situation, we will entirely guarantee the financial sources stipulated in the 5-year plan for the national scientific research fund.

"The fact that procurement prices are increasing and that we will reduce the prices of artificial fertilizers and the taxes on household plot production is a favorable development for agriculture, and mainly for animal husbandry. The government will help units that suffered considerable damage caused by the drought and, based on public tender, it will ease the debt burden of greatly indebted units which can achieve profitable economic activity.

"We will also achieve progress in factors contributing to the enterprises' independence. We count on the fact that, following the initial accumulation of experience, the enterprises will see an increasing number of advantages in the new forms of enterprise management and will also use them in the future. In order to achieve this, it is necessary for the bodies to place higher demands on economic leaders and to also assert the long-term viewpoints of economic activity.

"Beginning with 1987, there will be wider and freer possibilities for various associations between enterprises. We will encourage the establishment of new and smaller-size socialist enterprises with tax benefits.

"The above-mentioned two-tier banking system, in which independent commercial banks will be established, represents a revolutionary step. One of the guarantees of the new type of business policy of these banks is that they will operate with the ownership participation of several hundred enterprises."

Hetenyi also mentioned that the first steps have already been taken in the joint development projects and in the creation of joint ventures decided upon in the high-level agreements of the CEMA member countries. We attribute outstanding long-term importance to these ventures, and we are regrouping funds to assist in the implementation of these tasks.

Dynamic enterprises that are quickly amortizing their development projects and which are producing profitable and marketable articles, together with the greater openness of units that are forced to face difficulties can contribute to a situation in which A STRUCTURAL ORGANIZATION, AN INCREASE IN THE PROPORTION OF PROFITABLE SECTORS, AND BETTER WORK ON EVERYONE'S PART BECOME THE SOURCE OF THE INCREASE IN INCOME PRODUCED IN THE PEOPLE'S ECONOMY.

The finance minister then spoke about the fact that it was impossible to postpone the modification of wage regulations, because it had become necessary to avoid the continuation of a practice in which the income from work increased faster than net income. [sentence as published]

"This year's income outflow that is not supported by performances already represents a strong inflationary pressure. Therefore, IT HAS BECOME UNAVOIDABLE TO EXPECT A 7-PERCENT INCREASE IN CONSUMER PRICES, A BIGGER INCREASE THAN IN THE CURRENT YEAR. And this also means that in the course of the next year, we will be forced to also increase the official price of certain consumer goods. In cases where there is an increase in the official prices of basic supply goods, in accordance with the practice so far, we wish to compensate people in need.

"A 7-percent increase in consumer prices and the planned 5-5.5 percent average increase in wages also means that real wages on a national level will not reach the current level, a level that exceeds the plan and is not substantiated by performances. I stress that we are talking about a national average, compared to which there will be changes upwards and downwards in accordance with performance."

"In achieving adequate performance in the people's economy, we continue to rely on the activity of the ancillary units. This is not in contradiction with the fact that -- in harmony with a certain degree of stricter income regulations -- we will increase the level of company tax levied on small ventures by an average of 4 percentage points and, with an increase in the so-called exchange-value tax by 5 percentage points, we will make it more realistic for the enterprises to choose between increasing their own performance or taking advantage of the performances of the small cooperative ventures.

"As transpires from the things said previously, we wish to achieve a strengthened economic balance not by increasing the general financial burdens, but by strengthening their incentive character. This, however, places increased emphasis on the need to save budget expenditures. Besides, we had to stipulate a larger deficit than in previous years. The increasing burden of servicing the deficit accumulated in the previous years plays a role in their larger projected deficit. According to the draft budget, we wish to cover the deficit from bank loans. We ask the approval of the National Assembly for this."

Among the budget expenditures, more than half of which serves for social security and institutional purposes, the finance minister pointed out four important areas: Social policy, health, education, and housing conditions. According to next year's plan, 61,000 dwellings will be constructed. "WE WILL INCREASE SUPPORT FOR YOUNG FAMILIES WHO ARE MOST IN NEED OF AN APARTMENT AND WHO ARE READY TO SAVE IN ORDER TO ACQUIRE AN APARTMENT OF THEIR OWN. The amount of local councils' funds for housing credits will increase from 900 million forints to 1,600 million forints. At the suggestion of KISZ, and in order to preserve the value of youths' savings for housing purposes, we will increase the premium paid on youths' savings accounts by an annual 1 to 3 percent, deepening on the duration of the savings, and we will also increase the ceiling for related extra credits in terms of percentage and absolute amount. Young people under the age of 30 will be able to limit the reinbursement of state loans in the first 3 years to merely paying back the interest. In addition, we have stipulated in a regulation that in years when the price of housing might exceed the 10-percent level, we will further compensate the bonus paid on the youth saving accounts.

"The social security expenditures that serve social policy will increase by 8 percent. These will cover the regular annual increase in pensions and the previously mentioned compensations. IT IS POSSIBLE FOR THE COUNCILS TO SOLVE THE PROBLEMS OF AN INCREASING NUMBER OF OLD-AGE PEOPLE NOT ONLY IN TOWNS, BUT ALSO IN VILLAGES AND SMALL SETTLEMENTS BY ORGANIZING SOCIAL CATERING, AID, AND CARE SERVICES. Thus, we will considerably increase the councils' social aid funds. We know that all this is still not enough, but we feel that there will also be progress in this matter next year."

Istvan Hetenyi than spoke about the employment of people whose capacity to work has changed, and about the new measures related to establishing a prosperity fund and stressed that the government is aware of and deals with the existing social problems, and is constantly working on alleviating these problems. In the course of planning the health care expenditures that play a considerable role in the institutional network, the minister pointed out two important goals: First, improvement of the health institutions' supply of instruments, even at the expense of establishing fewer hospital beds than in the current year -- but there will nevertheless be 1,100 new hospital beds next year. [paragraph continues]

Next year, for example, computer tomography will be in operation at several central and county hospitals. Second, a surplus fund will be allocated for outstanding medical programs like cardio-vascular ailments, tumor treatment, traumatology, psychiatry, and alcoholism, and the struggle against AIDS.

"We wish to alleviate crowding in the upper grades of the general schools, and we will prepare for the large increase in the number of secondary school pupils in the coming years. Therefore, in 1987 the school network will receive 800 additional general school classrooms and 500 secondary school classrooms; the widening of foreign language instruction, the introduction of optional teaching subjects in the general and high schools, and computer instruction represent a qualitative development in education.

"We need money in order to implement the budget tasks at a high level; but we need not only money, but also rational management commensurate with the tasks. Coordination of the justified requirements of the population and the narrow resources requires regular supervision, classification, and improvement of the internal organization of the network of budget institutions that is made up of more than 10,000 independent units, employing close to 800,000 people.

"The councils carry out the bulk of the state tasks related to the living conditions of the population. The new system of planning, regulations, and management has been introduced in the activity of the councils this year. As I mentioned last year, the fundamental aim of this new system is to increase the councils' independence and responsibility. It is commendable that the councils solved the complex tasks of shifting to the new system without major disturbances."

Istvan Hetenyi stressed the important role played by the councils IN IMPROVING THE PROBLEMS OF BACKWARD, SMALLER AREAS IN A DISADVANTAGEOUS SITUATION.

"In 1987 we will allocate 360 million forints for modifying the production structure of these disadvantaged areas.

"Our experiences warn us to formulate our goals by thoroughly evaluating the economic realities. We cannot give up progress. Therefore, there is a need for tough work, thorough thinking, and flexible adjustment for the implementation of the goals we set for next year, sometimes even a more conscious acceptance of tensions and frictions, and a more farsighted solution to them. The submitted budget wishes to provide incentives and support for this. I ask the esteemed National Assembly to adopt the draft budget for 1987."

[The following data appear boxed at the end of the item]

The Draft-Budget for 1987 in Figures [subhead]

In harmony with the people's economic plan, the 1987 budget counts on an 8-8.5 percent increase in the total income of the people's economy in current prices.

The state budget incomes will increase by 6.1 percent and its expenditures will increase by 5.7 percent. There is a 43.8 billion forints deficit in the balance of the budget, with a 606.9 billion forints of income and 650.7 billion forints of expenditures; this represents 3.7 percent of the value added (GDP) created in the people's economy.

The bulk of 1987 budget incomes continues to derive from payments made by enterprise economic organs; the stipulations for the income deriving from this area and reduced by subsidies stand at 327.8 billion forints, 6.7 percent more than in 1986.

Total payments made by enterprises will increase by 5.7 percent. Within this, as a result of the widening tax exemptions, the profit and income taxees will increase by some 9 percent -- less than the profits.

Subsidies provided to enterprises will exceed the amount allocated last year by 3.7 percent. A considerable part of this amount -- 62.2 billion forints -- will be allocated for consumer price subsidies and the planned maintenance of consumer prices. These allocations will increase by 9.6 percent. As a result of central measures, the stipulations for production subsidies will decrease by 7.6 percent.

The population will contribute a total of 60.1 billion forints to the state budget. The stipulations for income from taxes and levies stand at 17.3 billion forints, 17.6 percent more than in the current year. Among these, the major part is made up of tax payments made by associations: These will amount to approximately 9.6 billion forints in 1987, 1.8 billion forints more than in 1986. Budget incomes from taxes will increase by 13.5 percent; the sum earmarked is 3.2 billion forints. The population's social security and pension contributions will increase in proportion with the planned increase of taxable incomes; the sum earmarked is 42.8 billion forints.

The planned sum of the accumulation expenditures is 39.4 billion forints, 5.6 percent more than the expected sum. In addition to the direct support provided for investments, the sum earmarked will cover the increasing support provided for private housing construction and also the supplement necessary for the development funds of certain enterprises -- in order to assert the state's structural policy.

The sum earmarked for social security expenditures is 152.7 billion forints, 7.5 percent higher than the expected sum this year. Some 80 percent of the increase in expenditures derives from automatically asserted demographic factors and the increase of average wages. The increase of expenditures is, however, slowed down by the fact that the number of pensioners is growing more slowly than previously, and that the system of calculating sick pay is modified. The 1987 budget will allocate 108.2 billion forints for pensions, 29.7 billion forints for support for mothers and families with children, and 9.8 billion forints for sick pay.

The central budget organs will be able to allocate 117.9 billion forints for health, social, educational, cultural, and sport, as well as for defense and the expenditure of other armed bodies and for other general expenses, 7 percent more than the sum expected in 1986.

The budget sum earmarked for the support of councils in 1987 is 79.6 billion forints, 6 percent more than the sum expected for the current year. The councils' total income is expected to be 166.3 billion forints, 5.5 percent more than the current year. From this sum, the councils are expected to allocate 177.1 billion forints on operations and maintenance, 41.2 billion forints on development, and 8 billion forints on enterprise support. The councils are expected to allocate the bulk of the financial sources earmarked for development to current investments; among these are the development of Debrecen County Hospital with 492 beds, and the 220-bed Kaposvar Hospital.

COUNCIL OF MINISTERS APPROVES ECONOMIC PLAN

LD261943 Budapest MTI in English 1830 GMT 26 Dec 86

[Text] Budapest, December 26 (MTI) -- The Council of Ministers reviewed the probable development of Hungarian national economy in 1986, and approved the national economic plan for 1987. When approving the major targets and estimates, it took into consideration that the most important targets of the 1986 plan are not being realized.

No genuine progress has been attained at most of the economic units in the interest of improving efficiency, and in developing a production pattern that adapts to the demands of both the internal and external market. Objective circumstances -- the lasting drought, the unfavourable development of world market prices, certain singular events, and the shortcomings of economic management also made progress more difficult. Thus the growth of production and national income lag behind the planned. The deterioration of the economy's balance situation, which began last year, continues. The balance of foreign trade is passive, the net stock of debts is rising. The deficit of the state budget is far higher than envisaged.

In 1987, the fundamental task of economic management is to more consistently realize the economic policy guideline formulated at the 13th Congress of the HSWP, and specified as a programme in the 7th five-year plan.

First and foremost among the targets [is] to adapt to the main tendencies of international development, and to change the economic structure accordingly, and to accelerate economic development and resources formation based on these.

The process of deterioration of the external economic and financial balance has to be braked down. The convertible debt stock can rise only in a slighter degree than this year. The living standard of the population has to be stabilized on the 1985-1986 level. Final consumption for collective needs cannot increase. Powerful differentiation has to be made in the formation of company and population incomes. A major task is for economic management to more rapidly and flexibly react to the changes of the external and internal circumstances.

Production pattern changes that serve to increase economic convertible export, and the movement of manpower and social capital has to be accelerated. The possibility of including foreign operating capital has to be more actively made use of. The activity of low-efficiency branches and economic units has to be rationalized, their production pattern streamlined. Non-producing investments have to be reduced. The purchasing power of companies and the population has to be more effectively regulated.

Most important estimates of the 1987 national economic plan (1986 - 100)

National income	at least 102
Domestic consumption	99-100
Industrial production	102-102.5
Production of agricultural products	104.5-105.5
Consumption of the population	99.5-100

Streamlining the production pattern has to be accelerated in industry. Production and export of marketable, modern and economic industrial products has to be increased faster than the average. Of the industrial branches, production of mining is to be moderated. Streamlining the product pattern of metallurgy of ferrous metals will continue. Production and export of engineering industry and chemical industry will increase faster than the average.

In agriculture, the value added should increase more rapidly than gross production, by improving efficiency. Plant cultivation should increase at a pace surpassing that of animal breeding, and corn production should be considerably higher than this year. The quality of products has to be improved in animal breeding.

In food industry, the appropriate processing of raw materials has to be increased, and the spreading of modern technologies accelerated.

In the field of producing infrastructure, the demands of production and the population have to be met basically by the more rational utilization of the existing capacities. Special attention should be paid to development connected to the reconstruction of the telecommunication network, to reducing the specific delivery costs, and to safeguarding the natural environment, including the quality of waters.

The volume of investments can only slightly surpass the 1986 level. When granting state benefits, subsidies, and bank loans for company investments, preference should be assured to production structure changes that aim at the efficient increase of export, at reducing input, and to technological modernization. New central investments will not be launched. Reconstruction of the Ferihegy Airport will be completed, the 4th block of the Paks nuclear power plant will be put into operation.

Per capita national production should increase in a degree surpassing the average of the years 1985-1986, which should also be promoted by the more effective employment of manpower. Therefore, manpower management measures will be taken and the earnings regulation system modified in a way that will make companies and individuals interested in the necessary regroupment of manpower. In justified cases, the managing organs should initiate the regroupment of manpower and assist the smooth finding of employment.

Personal incomes have to be differentiated according to performance. Average earnings in the socialist sector can increase by 5-5.5 per cent. The growth of incomes flowing out through small ventures will also slow down.

The balance of the purchasing power and the commodity fund available, and the balanced goods supply of the population has to be assured. The growth of the consumer's price level cannot surpass 7 per cent.

Some 60,000-61,000 homes are to be built with the use of state and population monetary sources.

In international economic relations, efforts should be made in the field of rouble-accounting turnover to actively utilize the advantages of cooperation realized with the CEMA countries, to realize as fully as possible the coordinated deliveries, and to reciprocally expand goods turnover. Export should be increased essentially at a similar pace to import. The development of technical and economic cooperation should be promoted also through the direct relations of economic organizations, and the founding of joint ventures.

Convertible-accounting export should be expanded mainly in the field of processing industry products. New enterpreneurial forms, the founding of joint ventures, more successful and intensive market activity and third market cooperation is necessary for this. Services that promote the increase of export should be extended, and their quality improved.

In tourism, the specific and absolute growth of foreign exchange revenues should be attained.

The comprehensive further development of the economic management system is to continue in the interest of realizing the 1987 national economic plan. At the same time, during 1987, alongside the continuous activity serving to realize the annual plan, preparation of changes planned for 1988, and for later, will receive a greater role in the activity of economic management organs. Within this, the thorough preparation of the system of tax on value added, the system of personal income tax, and the related price and earnings regulations, and social-welfare changes, with respect to many-sided economic and socio-political connections, is particularly important.

URBAN HOLDS PRESS CONFERENCE 23 DECEMBER

LD232225 Warsal PAP in English 1739 GMT 23 Dec 86

[By Andrezej Klosinski and Krzysztof Litwinski; quotation marks as received]

[Text] Warsaw, Dec. 23 -- Yesterday's Jaruzelski-Glemp meeting and preparations for the third visit to Poland by Pope John Paul II, trade unions in Poland, Polish-Czechoslovak decisions on the protection of border waters against pollution, refusal by Krakow authorities to register an "industrial society", and political activity abroad by Polish actress Halina Mikolajska who left for Western Europe to undergo medical treatment were the chief topics of today's press conference by the Polish Government's spokesman.

Jaruzelski-Glemp Meeting [subhead]

The course of the meeting, Minister Urban said, is reflected in the published communique. I would like to point to the following statement in it:

"The president of the Council of State and the primate of Poland have discussed the directions of preparations for the third visit to Poland by Pope John Paul II to be paid in June 1987. It was stressed that appropriate conditions should now be created for the pope's visit, and, above all, a favourable climate in overall state-church relations, so that the visit prove beneficial to the believers and Poland."

"I had referred earlier to the conditions that should be created," Urban said. "Facts of abusing churches, pulpits and the status of clergymen for pursuing political agitation hostile to the state, sometimes marked by extremity of views, are not conducive to the creation of proper atmosphere for the visit. Sometimes, there occur cases of fanning hateful emotions and the spirit of intolerance. It should be expected that this situation will change. As a visit by the pope requires that proper atmosphere for it be created, so that it prove beneficial to the believers and the state," he said.

Another significant part of the communique, Urban said: "The visit will be yet another occasion confirming the firm, respect-deserving, commitment of John Paul II to the cause of peace."

A conviction was expressed that John Paul II would emphatically confirm on the Polish soil his anti-war stand, so deserving respect, and his stand of support for the efforts aiming to preserve peace and prevent outer space from being turned into a battle field, Urban went on. Urban recalled the papal appeal for peace, for further development of international cooperation within a peaceful space research, for prevention of the use of space technology in hostile intensions, the Assissi peace appeal to the nations of the world and the appeal to world leaders to persistently establish structures of dialogue wherever peace is threatened or already violated.

"Poland's geographical situation and our tragic war experiences make the Polish land such a place from which the papal voice in favour of the cause of peace and for disarmament, would resound particularly strongly and convincingly. One should also expect that the voice of the Catholic Church in Poland, the voice in the spirit of support for peace and disapproval of the arms race, would sound more strongly than before.

The programme of the pope's visit is a question of further working talks. Organizational issues will be an important topic of the talks, including the problem of ensuring means of transport for the crowds of believers, and the pope's personal security. We attach great importance to infallible security system. There are many questions that the state and the church must discuss and agree upon. After this is done the president of the Council of State will send a letter of invitation to Pope John Paul II to visit Poland.

ZWIAZKOWIEC Weekly's Question [subhead]

The ZWIAZKOWIEC weekly (trade union's paper) reporter asked Urban the following question: According to Western broadcasting stations, at your previous news conference you announced that the rule that only one trade union organization operates in one factory is only provisional. Were you understood properly? I would like to recall that the Congress of Trade Unions adopted the stand on the unity of the labour movement.

Urban replied: "The state authorities definitely share the view of the reborn trade unions that the trade union movement should be united in the future just like it is today. This means that one trade union organization will operate in one factory. The government wants the trade unions to be a strong and competent partner of the economic administration also in the future. The fragmentation of the labour movement would run contrary to this need. Such a fragmentation would not agree either with the strivings of the genuine worker protest of 1980 aimed at creating strong and independent trade unions which are firm in their actions. The fragmentation of the labour movement in factories, on the one hand, would stimulate an auction of demands contrary to economic realities, and on the other, could encourage some of the partners of the labour movement to win contradictions between competing organizations.

"The 10th PUWP Congress deemed unity of the class trade union movement a lasting value. The meaning of what I said at the previous press conference was exactly such that the state authorities supported the unity of the trade union movement. Western broadcasting stations and the Western press, for instance, the Spanish news agency EFE distorted the gist of what I said about pluralism, taking away from my reasoning only this sentence in which I presented solely the legal aspect of the question," Urban said.

"The Western press was wrong to draw conclusions concerning the policy line of Poland's authorities from my recalling that it is legally possible for the Council of State to change the present legislation on the trade union activity. The legal possibility is not the same as the intention. Please understand this well," Urban went on.

"It is only some former activists of the former Solidarnosc who demand trade union pluralism in factories. These are activists of the so-called political opposition and not any trade union activists. Before the proclamation of martial law, Solidarnosc defined itself as a social movement. In fact, its leading structures turned the union into an organization with clearly political goals, slogans and methods of action. People politicizing today under the screen of Solidarnosc threw off their trade union garb a long time ago. They openly say they want to regain the right to an overt trade union activity only to make it a bridge to purely political work, using this or other tactics. They are also an agency of Western forces hostile to Poland. They are supported by the U.S. extreme right-wing which is hostile to trade union movement in the U.S. and in Poland and helps all political subversion in socialist countries," Urban continued.

"Thus, the question of the trade union structure does not at all apply to underground and above ground political groups and those that like a carrot grow a little under ground and a little above ground, using the name Solidarnosc. They have nothing in common with any trade unions. They only want to repeat the trick of entering the battle field of political struggle in the trade union guise. In 1981, this led to the disintegration of the state, economic disaster, and hard experiences and disappointment of a considerable section of society. Western observers of Polish events are very naive to expect Poles to go again along the same road. This will not happen either in the coming or in distant future." the spokesman said.

Polish-Czechoslovak Talks on Border Waters [subhead]

Asked about the outcome of the meeting of the Polish and Czechoslovak governments' commissioners for water management of border waters, held in Prague on Dec. 17-19, Urban said that the Czechoslovak Government commissioner told his Polish counterpart that in cases of extraordinary pollution of border waters, the Czechoslovak side would send warning information to appropriate addresses in Poland on time.

"It was agreed that the question of compensation to be provided by the Czechoslovak side for the Polish side for loses due to contamination of the Odra with mazout in November 1986, and with fuel oil in December 1986 caused by Czechoslovakia and for combating the contamination will be examined through diplomatic channels," Urban went on.

"The commissioners agreed to hold extraordinary negotiations in the first quarter of 1987 following a debate in January 1987 of a working group of specialists in protecting the purity of border waters headed by deputy commissioners of the two governments," said he.

"On December 20, Polish environmental services reported the increased flow of mazout in the Odra. This was caused by the Odra's rising and washing away the remaining mazout from the banks. Such a situation may also occur in the future due to the river's rising as well as faster currents," Urban added.

"In connection with this, a special system of security dams is to be maintained until the remaining mazout is removed from the river bed, Urban stated," he stated.

Industrial Society [subhead]

On Dec. 19, Radio Free Europe reported that Krakow's authorities had refused to register an "industrial society" planned to be established by a group of people. The RFE opined, Urban said, that this decision undermined the following words expressed by Wojciech Jaruzelski at the 3rd PUWP CC plenary meeting:

"The helmsman cannot replace the entire crew. The party does not want to have the exclusive right to initiatives and ideas. It does not intend to have a monopoly in expressing opinions and formulating appraisals, on the contrary, for us it is important not who but what is one saying -- criticising. The more opinions, suggestions, initiatives marked by care for the good of Poland and the broader the circle of citizens' co-participation, the better for the nation, for socialist Poland."

"I cannot comment on the industrial society plan and the decision of Krakow's authorities," Urban stated. "I can only say that in general the policy of supporting initiatives and citizens' co-participation is not automatically equal to approving every plan without studying its usefulness," he added.

"I want to comment, however, on the already mentioned part of Wojciech Jaruzelski's speech. The opinion of a citizen who criticises, submits suggestions, puts forth an initiative has a positive value and will be heard with attention by the authorities when it is confirmed by a constructive attitude of the one expressing that opinion. The Consultative Council, which has started to operate, provides yet another proof, that state authorities want a dialogue in which various views can be heard. It is indispensable, however, that the person expressing views and the attitude that person represents be credible," Urban stated.

"On December 16th," Urban continued, "the BBC broadcasting station reported interesting details about a cure taken by Polish actress Halina Mikolajska in Western Europe."

"I would like to explain that in Poland Ms Mikolajska is a patient of a government clinic which secures a permanent place for her. Despite this, she deemed it necessary to nurse her health at Western physicians and that was how she motivated her trip. The cure prescribed to her in the West included a speech at a press conference in Vienna together with Jerzy Milewski -- a liaison officer between 'Solidarnosc' illegal structures in Poland and their Western protectors," he said. "The BBC quoted Ms Mikolajska as saying for newsmen in Vienna that because of her sickness, she 'can observe the so-called process of normalization as if through the window of her apartment', and what she sees is 'a view of a completely destroyed life of the country which is chaotically declining,'" Urban went on.

"A cameraman went to the adjoining flat to take photographs of those horrors which Ms Mikolajska has to watch from her window. The picture indeed does not resemble Las Vegas but I cannot see any destroyed life or decline there," Urban said and asked the Polish tv Team to show the view from Mikolajska's window.

Urban mocked at sensational news of the Swedish newspaper AFTENBLADET as "nonsensical inventions" and "total rubbish", referring to the paper's suggestions that members of the Polish authorities are paid in hard currencies which makes it possible for them to buy goods in special hard currency shops, and also that none of the members of the former Solidarnosc belongs to the official trade unions now.

Asked what foreign trips Gen. Jaruzelski could be expected to make at the start of next year, Urban said he had nothing to announce in this respect now.

Asked whether the case of food parcels from the West for leading figures of the so-called opposition, discussed at the press conference last Tuesday, was not linked to violating the secrecy of correspondence, the spokesman replied the case "is not taken from letters" and declined to disclose the source of the used information.

Answering a question about a possible Polish view on the AIDS origin, Urban said: "We deplore very much tendencies in the Western press which attribute African origin to this disease and use this for opinions or actions tinged with racism. We share and are at one with concern (over these facts) shown by a significant part of African public opinion." Saying that Poland had no data on the possible authenticity of concepts presented in the Western press alleging that AIDS slipped away from U.S. secret laboratories, Urban said: "If this was true, it would point to still another terrible threat which the U.S. research can cause to entire mankind today."

In reply to a question about the location of a future nuclear power plant near Pila, north-west Poland, in the area where some 100 thousand people live within the radius of 30 kms from the plant's site, Urban said that the decision on the issue was not taken yet by the authorities and that another construction site, in the area of Wloclawek, north-west of Warsaw, was being considered. The decision will be taken in 1987. He added that the regional, elected authorities in the considered areas were supporting the plans of constructing a nuclear power plant in the regions they controlled.

Answering a question about the state-church relations, Urban stated that a number of problems related to the matter were currently discussed by the state and church representatives, and, that, for instance, sacral construction was extensive and by far "the most flourishing construction branch in Poland". The number of Catholic organizations and related forms of the church's activity is also large, Urban said.

MURANSKI ATTENDS KATOWICE MEETING ON MINING

LD222341 Warsaw PAP in English 1942 GMT 22 Dec 86

[Text] Warsaw, Dec 22 -- Hard coal mines will end this year extracting the planned 192 million tonnes, out of which 159 million tonnes will be used by the national economy, that is, 3.8 million tonnes more than envisaged by the Central Annual Plan. This year, Poland will export 35 million tonnes of hard coal, that is, less than in previous years. This year, lignite mines will extract 4.5 million tonnes more than envisaged by the Central Annual Plan.

The 1987 mining tasks for hard coal mines were fixed by the National Socio-Economic Plan at 192.5 million tonnes. In view of the rising domestic needs, 33 million tonnes of hard coal will be exported next year. This will be 2 million tonnes less than in 1986.

Today, a meeting of leading political and economic activists from mines, enterprises and factories related to the Ministry of Mining and Power Industry discussed in Katowice tasks stemming from the resolution of the Third PUWP CC Plenary Session in the light of the National Socio-Economic Plan approved by the SEJM recently. Member of the PUWP CC Political Bureau Zygmunt Muranski took part in the meeting.

BRIEFS

ACADEMY OF SCIENCES OFFICERS -- The Council of Ministers has confirmed the composition of the Presidium of the Polish Academy of Sciences for 1987-89, elected on 12 December by the PAN General Assembly. Jan Kostrzewski is the new chairman. The following are the new deputy chairmen of the academy: Professors Gerard Labuda, Jerzy Litwiniszyn, Wladyslaw Markiewicz and Adam Urbanek. [Excerpts] [Warsaw Television Service in Polish 1830 GMT 20 Dec 86 LD]

AMBASSADOR TO BANGLADESH -- On 10 December Edward Baradziej, PPR ambassador to the People's Republic of Bangladesh, presented his credentials to President Hussain Mohammad Ershad [Summary] [Warsaw TRYBUNA LUDU in Polish 11 Dec 86 p 6 AV]

SOVIET COOPERATION SEMINAR -- Direct economic scientific and technological cooperation between enterprises in the PPR and the USSR is the subject of a Polish-Soviet seminar being held in Warsaw from 9 to 12 December. The meeting, which is being attended by a large number of representatives of Soviet and Polish enterprises, was organized by the main board of the Polish-Soviet Friendship Society in conjunction with the Office for Scientific and Technological Progress and Application, the Polish Chamber of Foreign Trade, and the Soviet House of Science and Culture in Warsaw. [Excerpt] [Warsaw TRYBUNA LUDU in Polish 10 Dec 86 p 8]

AGRICULTURE COUNCIL PLENUM OPENS 25 DEC

AU251714 Bucharest Domestic Service in Romanian 1400 GMT 25 Dec 86

[Text] An enlarged plenary session of the National Council of Agriculture, Food Industry, Silviculture, and Water Management opened in Bucharest today. Convened at the recommendation of Comrade Nicolae Ceausescu, party secretary general and president of the republic, the plenary session is discussing the activity carried out and results achieved in 1986 in those branches and sectors of the national economy and will establish the necessary measures to optimally fulfill the plan and development programs for 1987 and to implement the provisions of the current 5-year plan and the targets of the new agrarian revolution. The plenary session is attended, apart from the members of the National Council of Agriculture, by the first secretaries and secretaries in charge of agricultural matters of the county party committees, representatives of county bodies subordinate to the Ministry of Agriculture, the Ministry of Food Industry, the Ministry of Silviculture, the National Council of Water Administration, the National Union of Agricultural Production Cooperatives, and the Bank of Agriculture and Food Industry, and by leadership cadres, specialists, and workers from state and cooperative agricultural units, from research and educational units, as well as by party organizers, chairmen of the joint agro-industrial councils, and private farmers from noncooperativized areas. Cadres in responsible positions from ministries and central bodies in charge of tasks in agriculture, the food industry, and the acquisition of agricultural produce, in silviculture and water management, and party aktivists of mass and civic organizations are also attending. The participants endorsed the following agenda:

1. a report on the activity carried out by the National Council of Agriculture, Food Industry, Silviculture, and Water Management in 1986 and measures aimed at fulfilling the 1987 plan;
2. a program of measures in connection with preparing the spring agricultural campaign;
3. a program for the regional organization of the crop rotation system and of increasing the fertility of lands;
4. a program for increasing the cultivated arable area by 320,000 hectares in 1987;
5. a program of measures aimed at putting into operation the irrigation facilities stipulated by the crop plan for 1987;
6. measures aimed at completely achieving 650,000 hectares of irrigated land in 1987 and at carrying out the other drainage and soil erosion operations;
7. a program for sowing and extra seeding operations on an area of 1 million hectares of natural pastures and for the utilization of 1.2 billion hectares of land for fodder crops, of which 1 million hectares are for arable land and 200,000 hectares for natural pastures;
8. a livestock research program to ensure exports, supplies for Bucharest, and the implementation of the program for county self-sufficiency;
9. a program for contracting and procurement of animals and agricultural produce from people's farmsteads;
10. a program for achieving centralized stocks of agricultural produce, foodstuffs, and state reserves;
11. a 1987 program for food industry;
12. a 1987 program for afforestation;
13. a 1987 program for water management; and
14. organizational measures.

As a result of the redistribution of certain tasks within the government, the plenary session decided that Comrade Ion Dinca, member of the Political Executive Committee of the RCP Central Committee and first deputy prime minister of the government, be relieved as chairman of the National Council of Agriculture, Food Industry, Silviculture, and Water Management. The plenary session elected Comrade Cornel Pacoste, candidate member of the Political Executive Committee of the RCP Central Committee and deputy prime minister of the government, as chairman of the National Council of Agriculture, Food Industry, Silviculture, and Water Management. The plenary session also endorsed certain modifications in the composition of the Executive Bureau of the National Council of Agriculture.

Comrade Gheorghe David, candidate member of the Political Executive Committee of the RCP Central Committee, minister of agriculture, and vice chairman of the National Council of Agriculture, Food Industry, Silviculture, and Water Management, presented the report included in the first point on the agenda. The plenary session then began discussing the documents submitted for examination.

In the afternoon, the plenary session is taking place within councils according to activities: production, deliveries to the state stocks concerning industrialization and scientific research in the area of grains and industrial plants; production and deliveries to the state stocks concerning industrialization and scientific research in horticulture; production, deliveries to state stocks concerning industrialization and scientific research in animal breeding; land stocks, problems in forestry, problems of water management, problems of self-management and economic-financial self-administration, and the development of small-scale industry and of public services.

A meeting was also held by the Central Commission of Agricultural Producers from noncooperativized localities. The participants in the discussions examined with a high sense of responsibility the activity carried out in the current year, the results achieved, and the directions of action to commendably fulfill tasks envisaged in the 1987 plan and throughout the current 5-year plan in order to implement the 13th RCP Congress decisions and the guidelines, recommendations, and requirements formulated by the party secretary general. The participants presented the achievements attained in increasing vegetable and animal production and in delivering agricultural produce and foodstuffs to the state stocks, thus ensuring the people's requirements for supplies and the necessary raw materials for the processing industry and other needs of the economy.

The participants stressed the stimulating role played in the activity of the tillers of the soil by the positive experience gained by numerous counties and state and cooperative agricultural units in achieving record yields. During the discussions, the speakers stressed that although better yields had been achieved compared with preceding years, there were some failings in the activity of some units in the organization of work, in effectively utilizing lands, in strictly observing technological and plan discipline, and in utilizing mechanical facilities, a fact that made results fall short of the level of provisions, of technical-material facilities and of reserves available to agriculture.

The speakers pledged that working people in agriculture, food industry, silviculture, and water management will take firm action to commendably fulfill the 1987 tasks and for the current 5-year plan to increase the contribution by this important branch to the general development of our homeland and to the improvement of the well-being of all our people.

The plenary session continues.

26 December Proceedings

AU261620 Bucharest AGERPRES in English 1524 GMT 26 Dec 86

[Text] Bucharest AGERPRES 26/12/1986 -- The plenary meeting of the National Council of Agriculture, Food Industry, Forestry and Water Management resumed its work Friday, December 26, in the presence of RCP General Secretary Nicolae Ceausescu. Alongside President Nicolae Ceausescu, the presidium included full and alternate members of the Executive Political Committee of the CC of the RCP, secretaries of the party's Central Committee, members of the Executive Bureau of the National Council of Agriculture, Food Industry, Forestry and Water Management.

President Nicolae Ceausescu handed over the high "Hero of the New Agrarian Revolution" order to the socialist state- and cooperative-farm units that reported large grains and animal production this year as well.

The two-day discussions evinced this year's achievements in increasing the grains, technical plant, horticultural and animal productions, the deliveries to the state stocks as well as the performance of the food industry, forestry and water management. Stress was also laid on the reserves that this basic sector of the national economy has.

The plenum unanimously approved the national council's report on its 1986 performance, the measures to be taken to fulfill the plan for 1987 as well as the programmes on the agenda. A resolution and call of the enlarged plenary meeting was also adopted unanimously.

In conclusion to the meeting, President Nicolae Ceausescu took the floor.

Ceausescu Addresses Plenum

AU271505 Bucharest AGERPRES in English 0908 GMT 27 Dec 86

[Text] Bucharest AGERPRES 27/12/1986 -- On December 26, Romania's President Nicolae Ceausescu made a speech at the end of a two-day plenary meeting of the National Council of Agriculture, Food Industry, Forestry and Water Management which analysed the results of the 1986 agricultural year and set measures for the fulfillment of the agricultural plan and programmes for 1987.

The speaker specified that in 1986 Romania harvested over 28 million tons of grains, which is the biggest output in the country's history, and that substantial increases were recorded in all the other agricultural sectors. We can say, he said, that 1986 was a moment in the development of our agriculture, in the accomplishment of the new agrarian revolution. As for the food industry, its production grew four per cent from the previous year.

President Nicolae Ceausescu stressed that in 1987 agricultural activities should stand at 32 million tons in the least. The speaker surveyed the conditions created in this respect, and requested that the good experience of front-ranking units should be generalized, by more intensely using the technical-material base available, thus providing for big productions in all sectors. In the context, the speaker referred to the possibilities of vegetable-, vine-, and fruit-tree-growing as well as of animal-breeding, insisting on the implementation of the programmes for those domains.

A large section of the speech dwelt on the appropriate management of land, with emphasis on the fact that Romania's arable area required the development of an intensive, high-productive agriculture. Mentioning that more than three million hectares were irrigated to reach 5.5 million in 1990, the speaker requested that all systems should be intensely used to achieve maximum yields on irrigated areas. In the same sequence of ideas the speaker referred to the need that greater concern should be shown to water management, river improvement and the prevention of pollution. He also said that forestry programmes should be properly carried through, emphasizing the economic and ecological importance of forests as well as their role in keeping the climate unchanged and in the general development of life.

In relation to the counties' self-sufficiency programme debated in the plenum, Nicolae Ceausescu requested that the local bodies should work for the ensurance of a proper supply with all products. The speaker insisted on the strict observance of order and discipline in agriculture, demanding that each farming unit, all counties should fulfill their obligations regarding the formation of the centralized food stock which also includes the products for general consumption, those for animal breeding and for the state stock.

The centralized food stocks is a way to rationally manage food products, in line with the provisions of the self-supply programmes, and the demands of industry and for exports, the speaker showed.

In reference to the tasks of agricultural workers, Nicolae Ceausescu said that the new system in force provided for higher incomes which should be based on larger productions in all areas.

In the closing part of his speech, President Nicolae Ceausescu, showing that it would be 25 years next spring since cooperativization ended in Romania, noted that the Romanian rural life, agriculture as a whole had changed radically. Life, reality -- he said -- strongly point to the correctness of our party policy of cooperativization and socialist development of agriculture, to the justness of the general RCP policy that applies general laws to realities in the country and to its necessities, ensuring Romania's firm advance on the path of socialism and communism, the continuing strengthening of its material and spiritual force, a general higher welfare and the strengthening of the independence and sovereignty of the country.

Showing that, after 1944, the country's agriculture went through two great revolutions, and that another agrarian revolution was under way, the speaker said that the first two were rather social and economic in character, whereas the present agrarian revolution gave priority to the application of science to achieve a higher agriculture, in agreement with the whole people's ownership of the land, with the socialist property in agriculture, like in the entire economy.

BOBU ADDRESSES UNCAP PLENUM; STAFF CHANGES MADE

AU241935 Bucharest AGERPRES in English 1905 GMT 24 Dec 86

[Text] Bucharest AGERPRES 24/12/1986 -- A plenary meeting of the Council of the National Union of Producer Cooperative Farms -- UNCAP -- discussed in Bucharest Wednesday, December 24 the work of the county unions and the management of the producer cooperative farms for the fulfilment of the 1986 production plan and the measures that should be taken to improve it next year in order to get the larger safe crops the new agrarian revolution calls for. Participants in the debate outlined the steps that had been taken to bring the output of all cooperative farms in line with the present facilities and equipment as well as resources.

Emil Bobu, member of the Executive Political Committee, secretary of the CC of the RCP, addressed the plenum.

The meeting released Marin Vasile from his post as chairman of UNCAP Council. Traian Girba, member of the CC of the RCP, was elected chairman of UNCAP Council.

The plenary meeting sent a telegram to RCP General Secretary and President of Romania Nicolae Ceausescu.

[Bucharest AGERPRES in English at 0856 GMT on 25 December carries the following passage in its press review reporting Traian Coman as the new chairman of the UNCAP Council:

["The same day a [24 December] plenary meeting was held of the National Union of the Producer Cooperative Farms, the press announces [to its] readers, while mentioning that chairman of the National Union of the Producer Cooperative Farms was elected Traian Coman, member of the CC of the RCP, replacing Marin Vasile who was relieved from office."]

ANTI-CEAUSESCU GRAFFITI REPORTED IN CLUJ

AU231426 Paris AFP in English 1405 GMT 23 Dec 86

[Text] Vienna, Dec 23 (AFP) -- Pamphlets and graffiti calling for "bread and meat" and an end to the "dictatorship" of Romanian leader Nicolae Ceausescu have surfaced in the Transylvanian town of Cluj, according to a magazine which reached here Tuesday.

The magazine, the HUNGARIAN PRESS OF TRANSYLVANIA, said the graffiti had been scrawled across the walls of the town's Hazsongard Roman Catholic Cemetery, and that pamphlets had been scattered among the gravestones on Halloween. Other slogans were later daubed on house walls throughout the town and on bottles of milk and parcels delivered to houses.

The magazine said police closed the cemetery on November 2. The predominantly Hungarian local people traditionally strew flowers on graves on Halloween.

The Hungarian minority in Romania numbers some two million, concentrated on Transylvania, and more than half of them belong to the Roman Catholic Church, in contrast to Romania's Orthodox majority. They are becoming increasingly vocal in their disapproval of measures by Bucharest to assimilate them into Romanian society, the report said.

The magazine also published unconfirmed reports of strikes among Hungarian Romanians at the beginning of November, and the capture and return by Hungary of ten Romanian Army deserters later in the month.

BRIEFS

NEW HYDROPOWER UNIT -- Bucharest AGERPRES 23/12/86 -- At the Romanian electric power station of Ostrovul Mare, the eighth 27 mw hydropower unit was connected to the national grid. It is the last unit of the Iron Gates II hydropower and navigation system and takes its capacity to 216 mw. The power engineers who work there topped 20 percent the physical production of electric energy, according to power charts, in the two years following the commissioning of the first hydropower units. [Text] Bucharest AGERPRES in English 0916 GMT 23 Dec 86 AU]

ASSEMBLY ADOPTS 1987 BUDGET, SOCIOECONOMIC PLAN

LD261457 Belgrade TANJUG Domestic Service in Serbo-Croatian 1413 GMT 26 Dec 86

[All figures as received]

[Text] Belgrade, 26 Dec (TANJUG) -- The Federal Chamber of the SFRY Assembly today adopted the federation budget for next year which, according to the decision by the Chamber of the Republics and Provinces, will be 1,963.6 billion dinars. Basic revenue by the federation will provide 1,567.5 billion dinars, while the republics and provinces will contribute 396.1 billion.

The biggest part of the federation budget funds -- 1,323.7 billion dinars -- is for the needs of the Yugoslav People's Army. A total of 157.6 billion will be provided for underdeveloped republics and provinces and 271.3 billion dinars for veteran and disabled persons benefit and for military pensions.

A total of 127.5 billion dinars will be provided for the work of the federation organs, and 46.6 billion for the financial commitments of the federation from previous years.

Economic System Laws

LD262130 Belgrade TANJUG Domestic Service in Serbo-Croatian 1602 GMT 26 Dec 86

[Text] Belgrade, 26 Dec (TANJUG) -- The Yugoslav Assembly's Federal Chamber today adopted, in accordance with urgent procedure, seven laws which will enable changes in the economic system and the introduction of realistic economic categories. The budget of the federation for next year was also accepted.

The adoption of laws on overall revenue and income was preceded today by broad discussion in which the delegate Zdravko Zabukovec observed that there had not been sufficient time for a detailed examination of the supplementary proposals and that the law was adopted under a certain psychological pressure. Several delegates retorted that there had been no pressure. Milos Milosavljevic, the FED vice president, stressed that the very necessity of reform in the economic system is urgently making legal changes necessary.

The law on overall revenue and income demands the realistic establishment of income, the values of basic resources and amortization. The purpose of these changes in the accounting system is to protect social property. The financing of consumption out of losses is also prevented. Organizations are obliged primarily to secure funds for simple reproduction, and only to distribute the remainder for consumption and accumulation.

Individual activities (like construction) for which this law causes great overall difficulties, may, for a transitional period of 2 years, cover part of their losses by having recourse to the management fund. A transitional period of 3 years is envisaged for the electric power industry, the railways and producers of mineral ferltilizers, and of one year for the banks.

Part of the law regulating the accounting of personal incomes from two parts, (from current labor and from the management of social resources) will be applicable as of 1 July next year. The first part of personal income (on the basis of current labour) will be dependent on the results of work, which means that it is not guaranteed in advance. In any case, a concrete solution should be elaborated in the course of the first 6 months of 1987.

The law on amortization lays down the application of a realistic rate at which social resources are written off. This prevents the outflow of their values into consumption. The majority of exceptions in effect up to now have been abolished to secure as soon as possible a realistic amortization. There are, however, some concessions for social activities, housing and collectives financed from the budget to not additionally burden the economy. These transitional solutions will be in force until the end of the decade.

The most impotant novelty in the law on financial recovery is the action aimed at eliminating the causes of illiquidity in organizations of associated labor. The organizations, which are financially not in the positition to settle their debts, must prepare a separate program of measures for the elimination of illiquidity. Failure to do so will be followed by a "coercive management," and in case the state of illiquidity lasts a long time -- up to 140 days -- the outcome will be bankruptcy. All this ought to ensure greater financial discipline. The action of financial recovery will also be considerably more effective because creditors' rights have been increased. Increased responsibility is envisaged for the collectives operating at a loss.

Interim solutions are envisaged for some economic organizations to help them adapt to the new conditions of financial recovery. These will include, for instance, organizations dealing with the electric power industry, the production of coal, artificial fertilizers, flour, bread, sugar, vegetable oil, and lard, as well as the railway, cattle-breeding, health service and similar fields. Such a transitional period will be in effect throughout 1987. The organizations in question can pay out the average personal incomes from the previous year, increased by a maximum of 75 percent of the growth rate of the average personal incomes in the republic, that is, the province, and on condition that sociopolitical communities "guarantee the funds for covering losses by 30 September 1987."

The law on the Social Accountancy Service has established the order by which work collectives settle their debts. The settling of debts toward all the creditors will have a priority over personal incomes, except in the case of guaranteed personal incomes.

Amendments to the law on the banking and credit system enable the banks to conduct business as independent economic entities, and they more precisely define the banks' ability.

Beginning in the new year, joint funds of municipalities will no longer cover losses incurred by work organizations. However, the banks will be allowed to grant credits to loss-making basic associated labor organizations if half of the funds are guaranteed by another basic organization of associated labor within or outside the same work organization. The organizations which have difficulties, but also good prospects, can count upon these credits.

The amended law on suppressing disloyal competition and monopolistic agreements strictly prohibits agreement-seeking on prices. Particularly effected will be business communities which have often been responsible for imposing monopolistic prices.

The amended law on compulsory integration of traffic and production organizations defers this kind of integration until 1 January 1990.

The Federal Chamber adopted the budget of the federation for next year, the chamber of the republics and provinces have established that it will be 1963.6 billion dinars.

1323.7 billion dinars has been earmarked in the budget of the federation for the current needs, development and modernization of the Yugolsav People's Army (JNA). 157.6 billion dinars will be set aside for funding the social and other services of the underdeveloped republics and Kosovo, 271.3 billion for veterans and disability protection and military pensions, 127.5 billion for the work of the federal organs, and 46.6 billion dinars for obligations of the federation from previous years. A small part of funds are earmarked for the reserves of the federation.

The delegates today also adopted an orientation program of work of the Federal Chamber to 1990 and a program of activities of this chamber of the assembly in the year ahead. On this occasion, Milka Takeva-Grigorijevic, president of the Federal Chamber, turned first of all to what has been done this year. The Chamber has, in her words, worked very intensively and successfully, something which confirms the information that in 151 sessions 235 agenda items have been considered, 72 laws and 14 other regulations and general acts have been adopted, and discussions have taken place on 90 thematic documents. The main thrust of the work has been on the adoption of systemic laws important in the implementation of the long-term program of stabilization.

Milka Takeva-Grigorijevic then said that in 1987 and in the following years the implementation of tasks in the long-term program of economic stabilization will be the primary task of the Federal Chamber. The struggle for the strengthening of legality and responsibility of all organs and exponents of self-managing and other social functions will have a special place in the Federal Chamber's work.

The Chamber went on in the session to adopt the final accounts of the Federal Directorate for Commodity Reserves in 1985 and a decision on changes to the financial plan of this directorate for this year and on the approval of the plan for next year.

Socioeconomic Resolution

LD261449 Belgrade TANJUG Domestic Service in Serbo-Croatian 1155 GMT 26 Dec 86

[Text] Belgrade, 26 Dec (TANJUG) -- The Chamber of the Republics and Provinces of the SFRY Assembly today adopted the resolution on the country's socioeconomic development in 1987, in which it is envisaged that the main tasks will be to ensure an approximation of the achieved tempo of production growth this year and the considerable acceleration in the increase of exports, the increase of work productivity, and the efficiency of economic activity as a whole, and the essential curbing of the inflation rate.

It is envisaged that there will be a real growth of social product of at least 3 percent, industrial production of 3.5 percent, and agriculture of 2.5 percent. Exports should grow by approximately 4.5 percent and imports by 4 percent, which is the prerequisite for realizing balance of payment surplus and ensuring external liquidity.

Main Tasks of 1987 Resolution

LD262051 Belgrade TANJUG Domestic Service in Serbo-Croatian 1335 GMT 26 Dec 86

[Text] Belgrade, 26 Dec (TANJUG) -- The Chamber of Republics and Provinces of the SFRY Assembly today adopted the resolution on the socioeconomic development of the country in 1987, in which the main tasks are identified as guaranteeing approximately the pace of production growth achieved this year and considerably increasing the growth of exports, increasing labor productivity and the efficiency of economic activity as a whole, and lastly, significantly reducing inflation.

All accompanying documents were approved with the resolution.

A real growth in the social product of at least 3 percent is planned, which is to be achieved in conditions of growth in employment in the social sector of 2 percent, in labor productivity of 1.1 percent, gross investment of 4 percent, and the standard of living of 1.2 percent. Industrial production is to increse by 3.5 percent, agricultural production by 2.5 percent, exports by 4.5 percent, and imports by 4 percent, which is the precondition for realizing a balance of payments surplus and guaranteeing external liquidity.

An important innovation in the resolution relates to the payment of personal incomes. According to the solution adopted, monthly advance payments of personal incomes in the economy will only be paid to a maximum of the level of the average personal income in the fourth quarter of this year. Personal incomes may increase in organizations which achieve a growth in labor productivity. Basically, as evidence of a growth in labor productivity, the uniform indicator will be taken of an increase in real income per employee. In noneconomic activities, the payment of personal incomes in 1987 will be in step with earnings in the economy. Funds for joint expenditure may not rise above the increase in net personal income per worker.

This solution is temporary and will apply until the elaboration of the social compact on the generation and distribution of income in the SFRY and the social compact of the republics and provinces is completed, as well as are self-managing agreements of the branches and groups of industry and self-managing acts of associated labor organizations in accordance with the changes in the economic system and documents from the 13th LCY Congress.

The policy of the more rapid development of the underdeveloped republics and Kosovo will be realized by means of the consistent implementation of the social compacts on the pooling of labor and resources through the federal fund for crediting the underdeveloped to the year 1990 and the agreement on special measures for the more rapid development of Kosovo to the end of the decade. As specified in the resolution, these should be concluded by the end of January next year. Other concessions are also envisaged for the underdeveloped republics and Kosovo.

Funds for general and joint expenditure should increase 10 percent more slowly than the growth income. This restriction will not apply to funds for science, the contributions of the republics and provinces to the federal budget, and federal budget funds for the Yugoslav People's Army, for the underdeveloped republics and Kosovo, invalid and veteran allowances, military pensions, funds for pension and invalid insurance, and contributions of the republics and provinces for subsiding artificial fertilizers and interests in agriculture. Allowances which are in the nature of personal earnings will increase in step with personal incomes.

In the area of prices, the resolution contains the decision on maintaining social control of prices. The credit and monetary policy will be considerably more restrictive, and special attention will be devoted to the development of agriculture and tourism.

In our country, next year should see the production of 5 million tonnes of wheat, 12 million tonnes of maize and 1.365 million tonnes of meat. Exports of agricultural and food products should increase by about 6 percent. The aim is to realize earnings of 1.605 billion dollars from tourism.

In connection with the adoption of the resolution for the coming year, Stojan Andov, chairman of the Chamber of Republics and Provinces Planning Committee, which is the main working body for the coordination of this document, gave an assessment of the work which has been undertaken and the qualities of the new resolution. He stressed that the delegates and delegations had shown complete readiness, in conditions where there were differences expressed, to find generally acceptable solutions and to ensure that the aims outlined in the resolution are realistic. The development policy for next year is specific in that it contains the determination to achieve a turnabout. With the aim of realizing this turnabout, measures will have to be taken which will not be particularly popular, but we must persist with them and implement them consistently, Andov stressed.

Before giving his delegation's verdict on the resolution, Mirko Skakic, who is presiding over the delegation of the Croatian Assembly, warned of the seriousness of the problems in certain areas of general and joint expenditure and in particular in vocation-oriented education in Croatia, on which there are conclusions from the highest state and party organs of the republic. Stating that the Croat Assembly approves the resolution, Skakic stressed that solutions must be found to these problems.

At the proposal of the Croat Assembly, the Chamber concluded that the Federal Executive Council [FEC], in cooperation with the republican and provincial organs, should examine the problems in joint expenditure, and, depending on their assessment and material possibilities, propose solutions.

The Chamber then approved changes in the law on foreign exchange transactions which gives the FEC the power to establish a uniform method of increasing and decreasing the rights of work collectives to imports to make payments abroad.

In an effort to avoid the constant application of legal provisions intended only for exceptional circumstances arising out of discrepancy in the supply and demand for foreign exchange, the Chamber called on the FEC to prepare by the end of January next year special regulations to limit the duration of such exceptional measures and contribute to improving the work of the foreign currency market.

On the expiration of the envisaged time limit, the federal government and competent organs would automatically, as prescribed by the law, resort to additional measures to stimulate exports and foreign exchange earnings, to alter the exchange rate of the dinar, and to restrict imports.

According to the changes adopted, the right to priority in payments abroad will go to the claims of organizations which, in accordance with the law, have foreign currency accounts (which is the exception). These are, for example, payments of consignees and our construction companies abroad.

The FEC is given the power, in exceptional circumstances, to regulate when required on the compulsory exchange of foreign currency at the Yugoslav border, but only by citizens of those countries which apply similar measures to our citizens.

Approval was given to the planned balance of payments, which envisages that, in addition to an increase in exports of goods and services of 4.5 percent, next year will also see a current balance of payments surplus, an increase in foreign currency reserves, and a certain reduction in the extent of the country's borrowing.

The Chamber then also approved decisions regulating the fiscal and credit policy in 1987. These include, primarily, the decision on the aims and tasks of the joint issue and monetary policy. According to this document, the increase in the money supply will not be "moderate," as many delegates demanded during the preceding debates, but significantly slower than the nominal increase in the social product. This solution was adopted because of the surplus of money at the end of the year, and the pressing task, in addition to stimulating production and exports, of bridling inflaton.

In the first quarter of 1987 the money supply should increase by only 4.5 percent, and dinar credits of the banks by 5.5 percent, in comparison to the situation at the last day of this year. Although this is a very restrictive monetary policy, there will, according to the decision, be sufficient money and credits for increasing exports, and agricultural production will be unrestricted. Interest rates will be fixed every 3 months, and will be determined by 6-monthly growth. [sentence as received]

The decisions approved on the covering of exchange rate differences in the coming year should secure 191 billion dinars for these outgoings in the economy. The National Bank of Yugoslavia will be guaranteed 258 billion dinars for the same purpose.

With the changes approved in the law on the National Bank of Yugoslavia, the council of governors of our central bank will in the future be able to make decisions without the obligatory consensus. It will be possible to approve the most important decisions on material questions by a two-thirds majority of votes, and others by a simple majority. The controlling role of the National Bank of Yugoslavia is also strengthened.

The Chamber approved the size of the federal budget for next year, amounting to 1,963.6 billion dinars. The sum of 1,567.5 billion dinars will be provided from the basic revenues of the federation -- basic sales tax, customs duties and import duties -- and 396.1 billion dinars from the contributions of the republics and provinces.

Changes have been approved in the law on financing the federation, on the basis of which 75 percent goes to the revenue of the republics and provinces. Up until now that tax was divided in half.

Because of the changes in the distribution of basic sales tax, the federal budget guarantees 7.9 billion dinars to Kosovo so that the position of the province in the distribution of additional funds for social and other services does not worsen.

By a conclusion of the Chamber, the FEC is given the task of proposing by 15 January changes in the law on additional funds which will guarantee this compensation to Kosovo to the year 1990.

By the end of March the FEC will examine the proposals of the Socialist Autonomous Province of Kosovo on resolving the problems of the social services in the provinces and if required, and in accordance with material possibilities, (?will propose) solutions.

The Chamber approved a decision [word indistinct] whereby the sum of 80 billion dinars will be guaranteed for subsidizing artificial fertilizers, quality selected seeds and plant protection means. A third of the funds will be guaranteed by the federation and the remainder by the republics and provinces.

On the basis of the approved law, 55 billion dinars will be guaranteed by the republics and provinces next year for subsidizing interest in agriculture.

The law was also approved on deferment of repayments of annuities on credits given to associated labor organizations in Macedonia, Montenegro and Kosovo, from funds of the federal fund for crediting the development of underdeveloped republics and provinces, which fall due on 1 January 1987.

The repayment of installments and the payment of coupons by those holding federal fund bonds is deferred until 30 June next year. The sum in question is 17.1 billion dinars, of which 5.3 billion is accounted for by associated labor organizations in Macedonia, 2.9 billion in Montenegro, and 8.9 billion by work organizations in Kosovo. This is a temporary solution, until the law on deferment of repayment of annuities to the year 1990 is passed.

The electricity industry, railways and postal services are obligated to work out the so-called common elements for changing the prices of their products in cooperation with the consumers organizations or beneficiaries of their products and services (the self-managing interest communities), and with the associated labor organizations designated by the Yugoslav Chamber of the Economy. This is one of the basic changes in the law on prices approved by the Chamber of Republics and Provinces of the SFRY Assembly.

If the FEC, which gives the final approval for the common elements, does not do this within 30 days, it must inform the SFRY Assembly of this in the next 30 days.

Following the adoption of the resolution and the laws on changes in the economic system, Janez Zemljaric, vice president of FEC, addressed the delegates. Assessing that, thanks to the constructive and businesslike atmosphere, the entire work had been completed earlier than in previous years, he said that the FEC will consistently and comprehensively work at implementing the goals approved today.

The delegates then approved the work program of the Chamber of Republics and Provinces for 1987.

Concluding today's session, Milenko Bojanic, president of the Chamber of Republics and Provinces, said that it should be expected that the changes adopted will contribute to the creation of new relations in the economy. We have endeavored, he added, to find the most effective way of getting out of our difficulties. To what extent we have indeed done a good job will be seen during the implementation of the documents adopted.

Monetary, Credit Committee

LD261539 Belgrade TANJUG Domestic Service in Serbo-Croatian 2342 GMT 25 Dec 86

[Text] Belgrade 25 Dec (TANJUG) -- Following a day-long discussion, delegates on the committee for credit and monetary system of the Chamber of the Republics and Provinces of the SFRY Assembly with their competence, reached agreement on all the undecided matters from the resolution and the decisions on the joint policy of issuing money and monetary policy for 1987.

In this way, they removed the last remaining dilemma of whether the monetary and credit policy should be "considerably" or "moderately" restrictive.

All the delegates accepted the proposed solution by the FEC that monetary and credit policy should be considerably restrictive, bearing in mind a high jump in financial sources in this year.

Agreement was reached for the first 3 months, during which the increase in the money supply should be 4.5 percent and credits 5.5 percent. For all other changes and amendments, delegates have yet to make decisions.

Late this evening, the last doubt about what would happen to the interest rate policy was removed. It was agreed that it will be determined every 3 months on the basis of a 6-month average of production prices, increased by one percent. This decision, however, has to be reexamined if the solution on the reevaluation of all debts is accepted.

With the changes to the law on the National Bank of Yugoslavia, it is envisaged that consensus will no longer be required the council of the governors of our central bank to make decisions. The most important decisions on material issues will be made on the basis of the two-third majority, and others on the basis of simple majority.

Agreement was also reached on two decisions which envisage that in 1987, 191 billion dinars will be provided for covering differences in exchanges rates, while 258 million dinares will be provided for paying differences in exchange rates in the National Bank of Yugoslavia.

Proposal on New Members Adopted

LD261915 Belgrade TANJUG in English 1645 GMT 26 Dec 86

[Text] Belgrade, December 26 (TANJUG) -- The Federal Assembly adopted today a proposal of the Presidency of Yugoslavia on the election of 29 new members -- prominent Yugoslav leaders -- to the Council of the Federation. By entering this political-consultative body, these persons withdraw from active political life, after this year's rejuvenation of the state and party leaderships.

The new members of the Council of the Federation include former prime minister, president of the Trade Union Confederation and the Presidency of Yugoslavia Mika Spiljak; former Prime Minister Mitja Ribicic, former president of the Presidency of the League of Communists of Yugoslavia Central Committee and president of the Assembly of Yugoslavia Dragoslav Markovic; former secretary of the LCY CC Presidency Dimce Belovski; former president of the Federal Conference of the Socialist Alliance of Yugoslavia Dr. Aleksandar Grlickov; former president of the Federal Social Council for Questions of the Social System and president of the Central Committee of the League of Commuists of Serbia Dr Tihomir Vlaskalic; former president of the Federal Social Council for Questions of the Social System and Deputy Prime Minister Dr. Anton Vratusa; and two former members of the innermost Yugoslav party leadership -- Jure Bilic and Nijaz Dizdarevic.

The election of new members to the Council of the Federation has increased its membership to 183.

LCY CENTRAL COMMITTEE SESSION ON 1987 SOCIAL PLAN

LD240400 Belgrade TANJUG Domestic Service in Serbo-Croatian 1928 GMT 23 Dec 86

[Text] Belgrade, 23 Dec (TANJUG) -- Taking as its point of departure the conclusions of the fourth session of the LCY Central Committee, the LCY Central Committee Presidium, at its session today presided over by Milanko Renovica, discussed the current proceedings of adopting the resolution on the policy of implementing Yugoslavia's social plan in 1987 together with accompanying documents and systemic laws. The session was also attended by Sinan Hasani, president of the SFRY Presidency; Ivo Vrandecic, president of the SFRY Assembly; and Branko Mikulic, president of the Federal Executive Council [FEC].

The Presidium is reported to have stated that the work in the SFRY Assembly bodies was proceeding in a constructive atmosphere of full cooperation and coordination among all the organs and organizations in the federation, the republics and provinces. The need was stressed for additional efforts to enable the delegates to continue and increase, on a principled basis, the work on harmonizing the standpoints and surmounting the differences between the socialist republics and the autonomous socialist provinces as regards some issues of the next year's development and economic policy, the accompanying documents and systemic laws.

Emphasis was placed on the great importance of the efforts by the SFRY Assembly, the FEC and other organs and organizations to ensure that the implementation of the ideopolitical commitments of the 13th LCY Congress, of the stance of the Fourth LCY Central Committee session as well as the realization of the long-term program of economic stabilization were taken as a point of departure in the work to further specify the details of and to work out the policy of the country's socioeconomic development and to amend economic activity terms for next year.

The Presidium insists that the Communists in the organs and organizations of the federation become fully involved in the efforts to speed up the adoption of the resolution on next year's economic and development policy with all the necessary accompanying planning documents and to ensure a prompt adoption of the changes in the economic system that determine the economic activity terms for next year in accordance with the economic stabilization policy and are designed to promote market criteria, realistic economic categories, and to speed up the further development of the system of socialist self-management.

The Presidium placed particular emphasis on the need to adopt and further specify the changes in the system of reassessing the value of funds and distributing total and personal incomes. The need was also stresssed for adopting other systemic laws.

It is also necessary, the Presidium stresses, to promptly consider the FEC proposals for resolving the issue of the position of the economy and banks in the SR of Macedonia, the SR of Montenegro and the SAP of Kosovo and to speed up the work on reaching an agreement on special measures designed to facilitate the development of Kosovo as quickly as possible.

The Presidium also emphasized that, parallel with the changes in the development and economic policy and in the economic system, the activity by all subjective factors must be intensified in fulfilling the tasks of the 1987 economic policy. The need was stressed for specific social policy program to be defined and adopted on time.

The Presidium also considered the ideopolitical aspect of the issue relating to the "proposal by the Presidency of the SR of Serbia for the initiative to change the SFRY Constitution to envisage the elimination of inconsistencies in the way the SR of Serbia's fundamental constitutional position is defined in some of the provisions in the SFRY Constitution's normative section."

The Presidium pointed out that, within the framework of further work on the constitutional changes, these issues must be discussed in a responsible manner and political unity achieved and differences eliminated through concerted efforts by the top political and state organs of Yugoslavia, the republics and autonomous provinces, and, above all, by the leaderships of Serbia, Kosovo and Vojvodina who, in this way, will contribute to the efforts of enhance Yugoslavia's cohesion and unity. The ideopolitical basis for resolving these issues consists of the stance of the 13th LCY Congress and, in particular, the LCY Central Committee stance regarding the realization of the constitutional concept of the Yugoslav federation and the LCY Central Committee stance on the topical issues of relations, which form the basis of the unity and togetherness in the SR of Serbia.

RENOVICA RECEIVES ROMANIAN TU LEADER CIOBANUM

LD241846 Belgrade TANJUG Domestic Service in Serbo-Croatian 1043 GMT 24 Dec 86

[Text] Belgrade, 24 Dec (TANJUG) -- Milanko Renovica, president of the LCY Central Committee Presidium, today received Lina Ciobanum, member of the Political Executive Committee of the Romanian Communist Party and chairman of the Central Council of the General Union of Romanian Trade Unions, who is paying a visit to our country at the invitation of the Presidium of the Council of Yugoslav Trade Unions. In the course of the talks, which proceeded in a cordial atmosphere, both sides expressed satisfaction at the development of relations and cooperation between the LCY and the Romanian Communist Party. Lina Ciobanu conveyed cordial greetings from the secretary general of the Romanian Communist Party, Nicolae Ceausescu, to Milanko Renovica, president of the LCY Central Committee Presidium, and to the Presidium, itself.

Milanko Renovica informed the chairman of the General Council of the Romanian Trade Unions about the LCY's activities in implementing the resolutions of the 13th LCY Congress.

ROMANIA SIGNS $600 MILLION TRADE AGREEMENT

LD240023 Belgrade TANJUG in English 1806 GMT 23 Dec 86

[Text] Belgrade, Dec 23 (TANJUG) -- Yugoslavia and Romania plan to exchange 600 million dollars' worth of goods and services next year. After the two countries' joint commission for commodity trade completed its work, a trade protocol for next year was signed here today by Yugoslav Federal Secretary for Foreign Trade Nenad Krekic and Romanian Foreign Trade Minister Ilie Vaduva.

The joint commission stressed that this year will close with a record trade of over 400 million dollars. Besides raw materials and semi-manufactures, some 268 million dollars' worth of machinery and equipment is planned to be part of next year's bilateral trade.

The commission also discussed the exploitation of the Danube waters in the Djerdap joint power supply system. Agreement was reached on ways in which problems arising from natural disasters will be settled in future. It was stressed that the water level at Djerdap has now been brought back to the established norms, so that the Danube waters are once more being used according to the agreed regime.